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TOYOTA ANNUAL REPORT

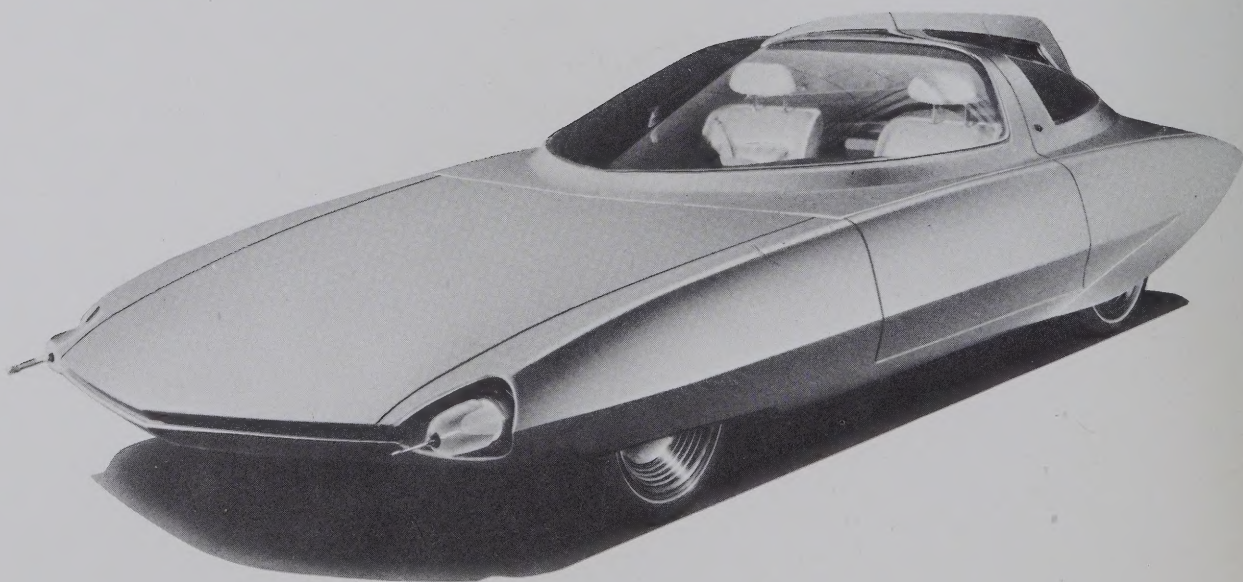
APRIL, 1966 — MARCH, 1967



TOYOTA MOTOR SALES CO., LTD.

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A Message from the President

The year 1966 was a particularly outstanding one for Toyota which saw us enhancing our position as the world's 9th largest automotive producer by gaining significant increases in our shares of the domestic and export markets.



Our share of the domestic market, for example, rose to 32.9%, an increase of 23% over fiscal 1965.

Our total export figures from January to December 1966 were 105,145. The Toyota Corona, in particular, won wide approval among the over 90 countries to which we export, showing a 65.7% increase over last year's export figure.

We can look back with pride upon these milestones in fiscal 1966:

February 1967: our monthly production exceeded 60,000 units, pushing Toyota's aggregate production over the 3 million mark.

October 1966: Toyota proved the superiority of its automotive technology by establishing three World and 13 International Class E Records for Speed and Endurance with the new Toyota 2000 GT.

We celebrated the addition of new facilities with the completion of our Takaoka Plant and Higashi Fuji Plant which will greatly facilitate our endeavors to continue producing high quality, high performance vehicles.

The introduction of the new Toyota Corolla 1100 was met with acclaim both domestically and abroad.

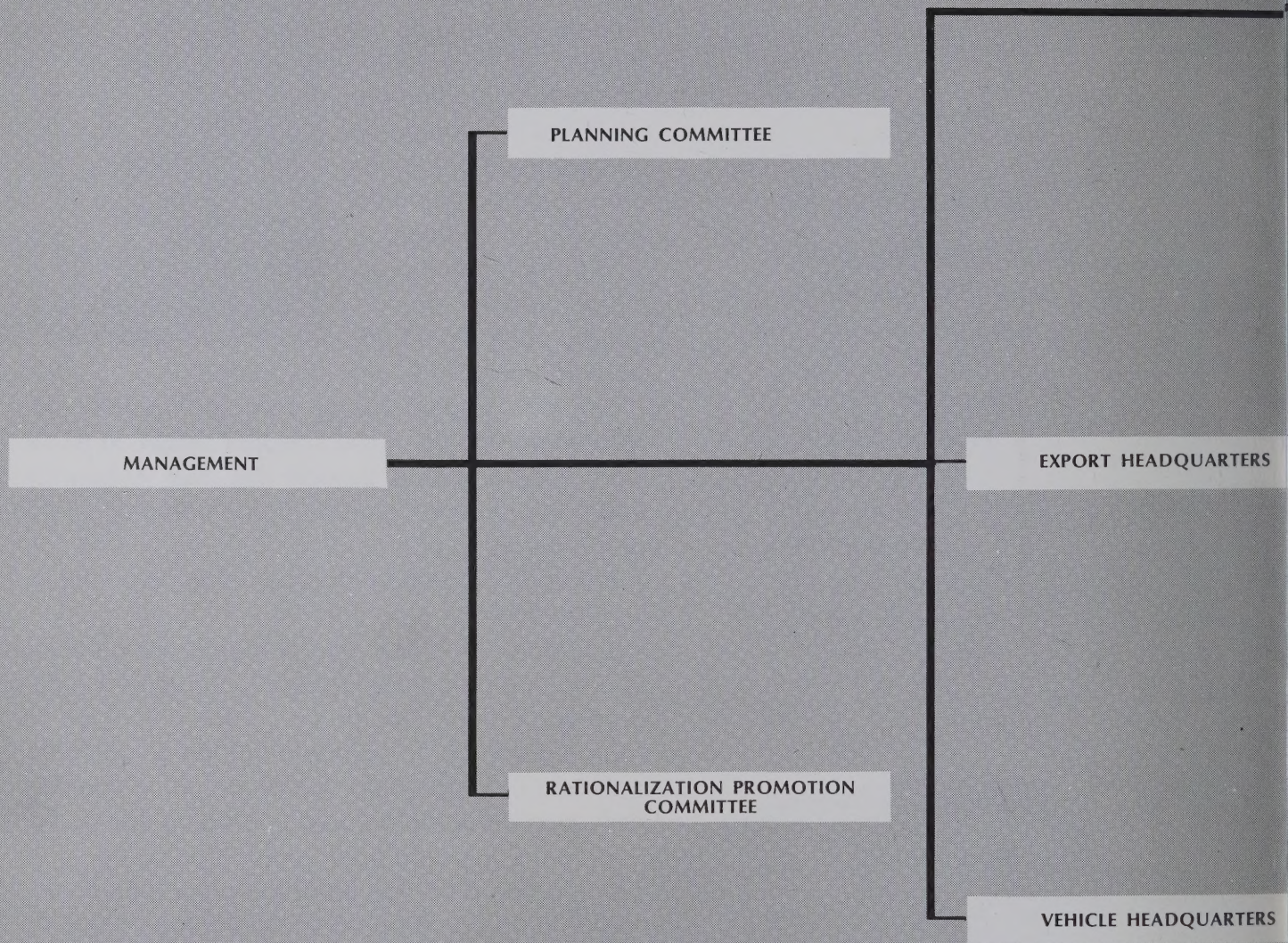
We ranged far and wide entering our models in numerous famous auto shows which served to enhance our reputation internationally.

We are not resting upon the laurels of these accomplishments, however, for they have only served to spur us on to increasing our endeavors. In the year to come, we shall try to do even better. Hopefully, with your continued staunch support, Toyota shall.

Shotaro Kamiya
President
Toyota Motor Sales Co., Ltd.

A handwritten signature in dark ink, reading "Shotaro Kamiya". The signature is fluid and cursive, written in a style typical of the mid-20th century.

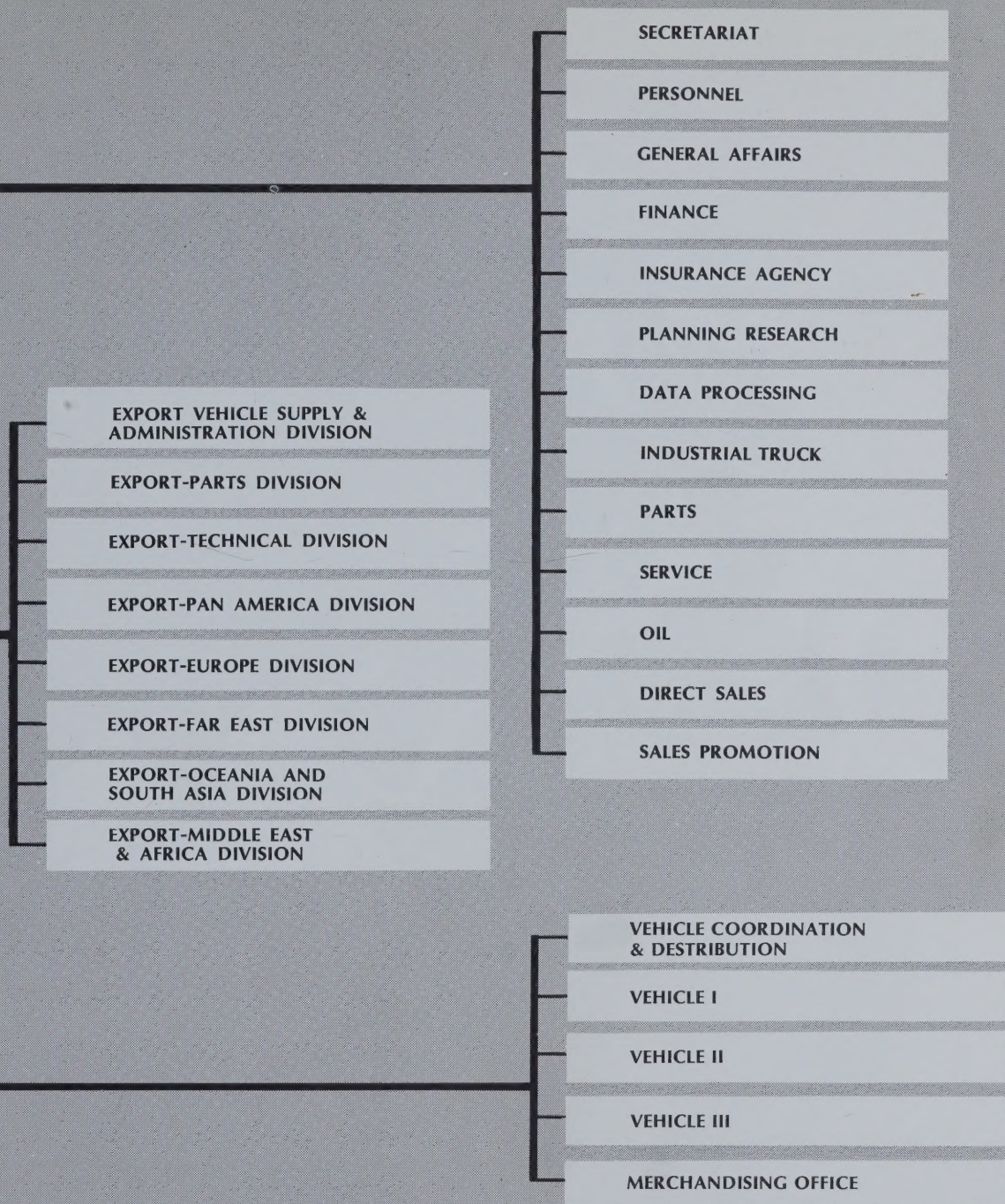
Organization Chart



EXECUTIVES

PRESIDENT : Shotaro Kamiya
VICE PRESIDENT : Shiro Ohnishi
MANAGING DIRECTOR : Seisi Kato
EXECUTIVE DIRECTORS : Teizo Yamamoto
Ryuji Kamiya
Nobuji Araki
Susumu Ohtake

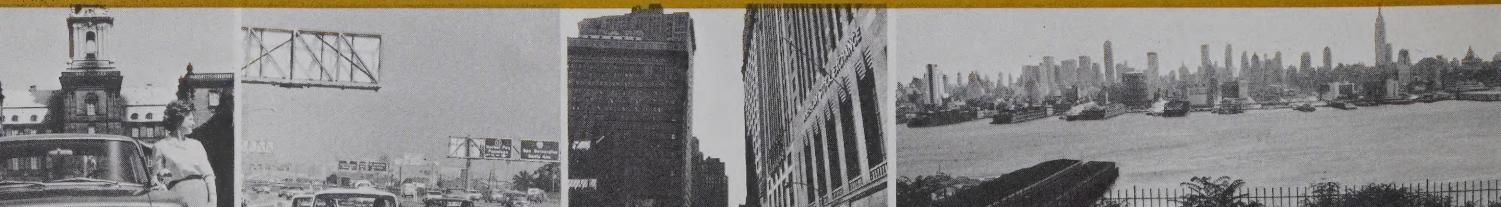
DIRECTORS : Masataka Matsuura
Yoshio Amano
Shinichi Kanda
Yasuyuki Kohzuma
AUDITORS : Taizo Ishida
Yoshinori Kaneko
Kazuo Kojima

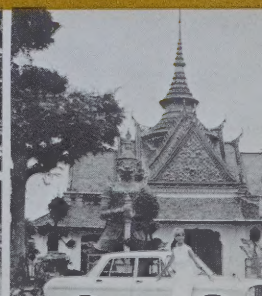


Managers

Managing Director & Director of Export Headquarters	Seisi Kato
Executive Director & Deputy Director of Export Headquarters	Nobuji Araki
Manager of Export Vehicle Supply & Administration Division	Keizo Mizuno
Manager of Export Parts Division	Motoyuki Kito
Manager of Export Technical Division	Shinichi Kanda
Manager of Export Pan America Division	Seisi Kato
Manager of Export Europe Division	Nobuji Araki
Manager of Export Far East Division	Yuzo Ichikawa
Manager of Export Oceania & South Asia Division	Hideo Kamio
Manager of Export Middle East & Africa Division	Takao Aoki

Toyota Worldwide





CONSOLIDATED BALANCE SHEET
Toyota Motor Sales Co., Ltd.

April 1, 1966~
Sept. 30, 1966

Oct. 10, 1966~
Mar. 31, 1967

April 1, 1966~
Sept. 30, 1966

Oct. 10, 1966~
Mar. 31, 1967

(ASSETS)

Current Assets	US\$ 416,857,711	456,878,433
Cash	135,633,941	158,253,282
Notes receivable	248,280,451	262,075,031
Credit	8,312,666	10,407,594
Vehicles	8,286,480	8,991,726
Forklifts	33,816	24,019
"Skyparking"	77,759	34,167
Parts	10,137,026	10,359,898
Oils	1,055,413	1,189,178
Stores	759,364	391,344
Accounts receivable	2,249,747	3,024,060
Advance	5,790	—
Prepaid expenses	2,593,791	2,591,175
Short term loans	6,844,325	8,975,940
Other current assets	809,364	588,797
Reserve for bad debts	8,222,222	10,027,778
Fixed Assets	72,388,243	77,107,487
Tangible fixed assets	36,961,951	39,239,515
Buildings	18,615,584	18,527,484
Warehouses and other structures	2,330,379	2,347,217
Machines and equipment	694,777	653,771
Vehicle transportation equipment	296,599	296,362
Tools and fixtures	1,207,517	1,047,383
Land	13,008,750	14,307,029
Reserve for construction	808,345	2,060,269
Intangible fixed assets	685,326	845,700
Rents (land and structures)	302,895	436,079
Long term prepaid expenses	382,431	409,621
Investments	34,740,966	37,022,272
Securities	19,110,103	19,874,061
Subsidiary company shareholdings	11,202,271	12,839,146
Long term loans	2,843,817	2,915,374
Other investments	1,584,775	1,393,691

(LIABILITIES)

Current Liabilities	390,936,970	437,497,396
Notes payable	124,403,365	168,511,798
Accounts payable	4,614,854	5,085,695
Short term dept	226,927,484	224,548,326
Overdue accounts	214,481	1,207,235
Unpaid expenses	4,701,569	6,758,909
Advances received	2,566,828	3,532,109
Deposits received	8,576,519	8,845,310
Prepaid income	8,883,936	7,381,222
Deferred taxes	6,887,966	7,809,871
Other current liabilities	3,159,968	3,816,921
Fixed Liabilities	30,686,903	24,297,735
Long term debt	30,686,903	24,297,735
Reserves	4,441,667	5,238,889
Bonuses	730,556	—
Retirement	833,333	888,889
Price fluctuations	1,388,889	1,472,222
Overseas market development	1,280,556	2,113,889
Foreign investment loss	208,333	763,889

Total of Liabilities **426,065,540** **467,034,020**

(CAPITAL)

Capital	33,333,333	33,333,333
Capital stock	33,333,333	33,333,333
Authorized reserves	4,391,604	4,947,160
Capital	2,715	2,715
Surplus	4,388,889	4,944,445
Surplus	25,455,477	28,671,407
Special reserves	18,888,889	21,111,111
Tax reserves	453,843	453,843
Dividend reserves	222,222	222,222
Retirement	41,667	41,667
Profit brought over from the preceding term	376,684	529,412
Profit of the current term	5,472,172	6,313,152

Total of Capital **63,180,414** **66,951,900**

TOTAL **489,245,954** **533,985,920**

TOTAL **489,245,954** **533,985,920**

(All figures listed are equivalent dollar rates)

PROFIT AND LOSS STATEMENT
Toyota Motor Sales Co., Ltd.

April 1, 1966~Sept. 30, 1966 Oct. 1, 1966~Mar. 31, 1967

(STANDARD PROFIT & LOSS)

Business Profit & Loss

Sales	US\$ 451,986,045	536,640,865
Costs	415,027,956	493,175,483
Sales profits	36,958,089	43,465,382
Collection against previous installment purchases	378,620	187,171
New installment contract commitments	187,171	107,467
Sales commission	8,614,416	6,940,013
Selling expenses	14,226,503	15,807,831
Administrative expenses	11,505,994	13,423,022
Operational Profits	20,031,457	21,254,246

Incidental Profit & Loss

Non-operational income

Interest received	6,179,601	7,191,828
Dividends received	684,756	705,039
Other non-operational income	3,170,775	3,059,211

Incidental Expenses

Discounts of interests paid	13,146,353	12,963,046
Other incidental expenses	5,620,286	5,628,571
Ordinary Profit	11,299,950	13,618,707

(SPECIAL PROFIT & LOSS)

Special Loss

Transfer to price fluctuation	—	83,333
Overseas market for development reserve	702,778	833,333
Overseas investment loss reserve	208,333	555,556
Profit for the Current Term Before Tax	10,388,839	12,146,485
Reserve for tax	4,916,667	5,833,333
Profit for the Current Term	5,472,172	6,313,152
Profit Brought Over from the Preceding Term	376,684	529,412
Undivided Profit of the Current Term	5,848,856	6,842,564

CONSOLIDATED BALANCE SHEET
Toyota Motor Co., Ltd.

	Dec. 1, 1965~ May 31, 1966	June 1, 1966~ Nov. 30, 1966		Dec. 1, 1965~ May 31, 1966	June 1, 1966~ Nov. 30, 1966
(ASSETS)			(LIABILITIES)		
Current Assets	US\$ 264,493,365	275,652,781	Current Liabilities	148,692,201	168,085,438
Cash	110,807,704	110,698,023	Notes payable	19,612,778	22,691,667
Notes receivable	122,128,175	132,464,169	Accounts payable	43,291,472	47,445,587
Credit	10,191,783	10,738,132	Short term debt	16,999,799	9,555,038
Products	3,241,777	3,669,145	Debentures 12 month term	2,435,000	3,116,111
Materials	1,995,452	1,793,081	Unpaid amount	9,884,014	10,438,958
In process materials	8,542,287	9,578,850	Unpaid expenses	16,176,665	19,337,382
Stores	969,309	881,934	Deposits received	10,110,861	13,993,311
Prepaid expenses	141,667	138,889	Deposits payable to employees	12,016,208	14,108,241
Short-term loan	4,716,139	4,419,750	Deferred taxes	17,643,220	26,807,718
Other current assets	1,759,072	1,270,808	Other current liabilities	522,184	591,425
Fixed Assets	245,949,901	264,207,014	Fixed Liabilities	75,779,006	64,186,310
Tangible fixed assets	172,683,603	189,035,320	Company debentures	24,913,333	23,038,333
Buildings and plants	49,337,634	52,796,800	Long term debt	50,297,993	40,909,120
Warehouses and other structures	7,282,050	10,435,106	Other fixed liabilities	567,680	238,857
Machines and equipment	67,058,285	77,462,961	Reserves	50,283,720	58,513,609
Vehicle transportation equipment	1,382,061	1,689,065	Retirement	10,291,544	12,170,868
Tools and fixtures	13,933,462	16,635,318	Reserve for bad debts	5,267,415	5,393,657
Land	9,663,685	13,842,162	Price fluctuations	3,104,288	3,104,288
Reserve for constructions	24,026,426	16,173,908	Reserve for repair	560,833	560,833
Investments	73,266,298	75,171,694	Reserve for special depreciation	25,277,778	25,277,778
Securities	53,745,322	57,001,565	Overseas market development	1,819,448	2,831,593
Subsidiary company shareholdings	8,028,089	8,270,486	Foreign investment loss	3,962,414	5,007,925
Long term loans	9,280,850	7,235,733	Reserve for market development	—	4,166,667
Other investments	2,212,037	2,663,910			
Deferred bond discount	228,415	198,072	Total of Liabilities	274,754,927	290,785,357
Deferred bond discount	228,415	198,072			
			(CAPITAL)		
			Capital	106,250,000	106,250,000
			Capital stock	106,250,000	106,250,000
			Authorized reserves	25,226,296	26,198,516
			Capital	7,453,938	7,453,936
			Reserve for reassessment	2,911,247	2,911,247
			Surplus	14,861,111	15,833,333
			Surplus	104,440,458	116,823,994
			Dividend reserve	638,889	638,889
			Special reserve	81,944,445	90,277,778
			Profit brought over from the preceding term	3,316,822	3,968,235
			Profit of the current term	18,540,302	21,939,092
			Total of Capital	235,916,754	249,272,510
TOTAL	510,671,681	540,057,867	TOTAL	510,671,681	540,057,867

(All figures listed are equivalent dollar rates)

PROFIT AND LOSS STATEMENT
Toyota Motor Co., Ltd.

	Dec. 1, 1965~May 31, 1966	June 1, 1966~Nov. 30, 1966
(STANDARD PROFIT & LOSS)		
Business Profit & Loss		
Business Profit	US\$ 378,251,066	437,955,285
Sales	378,251,066	437,955,285
Operational Expenses	345,727,453	389,014,957
Costs	318,665,503	355,644,646
Selling expenses & administrative expense	27,061,950	33,370,311
Operational Profit	32,523,613	48,940,328
Incidental Profit & Loss		
Non-operational Income	10,022,971	10,878,815
Discount of interest received	7,036,534	7,121,161
Dividends received	2,019,279	2,091,426
Other non-operational income	967,158	1,666,228
Incidental Expenses	11,336,272	13,322,396
Discounts of interest paid	4,485,073	4,209,970
Special depreciation	4,507,299	5,669,565
Other incidental expenses	2,343,900	3,442,861
Ordinary Profit	31,210,313	46,496,747
(SPECIAL PROFIT & LOSS)		
Special Loss	1,003,344	6,224,322
Overseas market development reserve	385,419	1,012,145
Overseas investment loss reserve	617,925	1,045,510
Money transferred from reserve for overseas development		4,166,667
Profit for the Current Term Before Taxes	30,206,969	40,272,425
Reserve for tax	11,666,667	18,333,333
Profit for the Current Term	<u>18,540,302</u>	<u>21,939,092</u>
Profit brought over from the preceding term	3,316,822	3,968,235
Undivided profit of the current term	21,857,124	25,907,327

TOYOTA HIGHLIGHTS

Toyota 2000GT Sets 16 Speed and Endurance Records



World records:

	New Record established by Toyota 2000GT (km/h)	Past record (km/h)
15,000 km	206.04	201.75 (Ford Comet)
10,000 miles	206.18	200.23 (Ford Comet)
3 days	206.02	202.21 (Ford Comet)

International records Period records

6 hours	210.42	202.39 (Cooper)
12 hours	208.79	186.25 (Porsche)
24 hours	206.23	164.23 (Triumph)
48 hours	203.80	165.02 (Triumph)
3 days	206.02	153.09 (Triumph)

The swift new Toyota 2000GT established 3 world and 13 international Class E records for speed and endurance during a grueling 4-day trial at the Yatabe high speed test circuit near Tokyo in October. These records were officially approved by the Federation Internationale d'Automobile in December.

Toyota 2000GT Used in James Bond Film.

Toyota also captured a mass audience for the Toyota 2000GT by manufacturing a modified model of the luxurious sports car to co-star with actor Sean Connery in his latest James Bond movie, "You Only Live Twice", which was filmed in part in Japan. Of the two modified Toyota 2000GT models which were produced for the film, one was used in Japan for movie publicity and then sent to the U.S. to appear at the Miami and New York Auto Shows. It is also appearing at Expo'67 in Montreal.

Distance records

1,000 miles	209.65	186.59 (Porsche)
2,000 km	209.45	186.13 (Porsche)
2,000 miles	207.48	164.15 (Triumph)
5,000 km	206.29	164.91 (Triumph)
5,000 miles	204.36	165.94 (Triumph)
10,000 km	204.06	164.53 (Triumph)
15,000 km	206.04	121.889 (AC)
10,000 miles	206.18	111.20 (Rosalie VII)

Active Participation in 1966 Auto Shows Promoted Toyota Models

Toyota's active participation in well-known automobile shows overseas during 1966 gave thousands the opportunity to see Toyota models firsthand and reaped a large share of favorable publicity in automotive magazines and newspapers abroad.

The superiority of Toyota cars was noted in such established publications as the American "Road and Track"

magazine and the "Milwaukee Journal" which carried results of test driving of Toyota cars by famous car experts.

London International Motor Exhibition

Toyota made a great impact at the 51st International Motor Exhibition in London. "The Guardian", one of Britain's most prestigious newspapers, felt moved to warn the British automotive industry that it will be threatened by the growth

of Toyota Motor in the future.

53rd Paris Auto Salon

Visitors to the 53rd Paris Auto Salon held in October showed keen interest in the Toyota Corner where the Crown Deluxe, Corona Sedan and Corona Coupe 1600s were on display. Toyota distributors from England, Belgium, Finland and the Netherlands were present.

Brussels Auto Show

1966 was an unusually exciting year for Toyota Motor Co., Ltd. and Toyota Motor Sales Co., Ltd. No other year so far compares with 1966, the year in which Toyota established several records in the quality car field, while at the same time setting new production and export records.

New High-Performance "Corolla 1100" Introduced



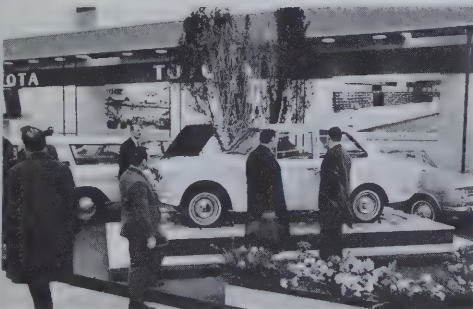
Toyota Motor Sales Co., Ltd. unveiled a new high performance compact in late October which is expected to reinforce its car market domination and bolster its competitive strength against the challenge of foreign car manufacturers.

The Toyota "Corolla 1100" comes equipped with a water-cooled 4-cylinder engine which develops 60hp at 6,000 rpm.

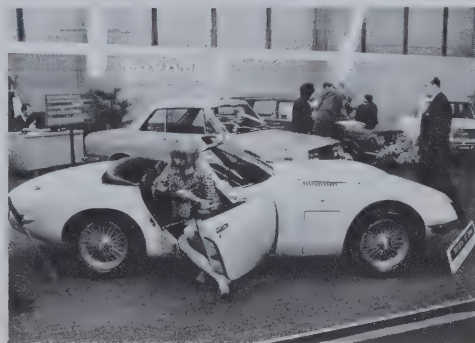
Assembled at the new Takaoka Plant, the Corolla 1100 is available in a 2- or 4-door design and is fitted with a four forward-speed floor shift and sporty reclining bucket seats.

The 5-passenger family compact has a cruising speed of 75 mph and a maximum speed of 87.5 mph, gives an economical 36.7 miles/Imp.gal. (DIN Standard), is inexpensive and superior in quality to many competing 1,000 cc class cars.

The Corolla 1100 was exhibited at the 13th Tokyo Motor Show in late October where an enthusiastic reception by thousands of visitors indicated that the compact would be warmly received in the market.



Although all Toyota cars came in for a fair share of attention at the Brussels Automobile Show, the specially equipped Toyota 2000GT stole the spotlight. Sports car fans were curious to see the Japanese model which had broken world speed and endurance records formerly held by foreign models. Others were entranced by the fact that this model was used in the latest James Bond film.



Toyota's Participation in 1966 Auto Shows

- | | |
|--|-----------------|
| 1. 45th Brussels Auto Show | January 21 |
| 2. Chicago Auto Show | February 27 |
| 3. 5th Rand Easter Show in Johannesburg | Mar. 29—Apr. 11 |
| 4. Independence Day of Guyana Float Parade | May 26 |
| 5. 53rd Auto Salon in Paris | October 6—16 |
| 6. 51st International Motor Exhibition in London | October 10 |
| 7. 13th Tokyo Motor Show | Oct. 26, Nov. 8 |
| 8. Brussels Show | January 18—29 |
| 9. Amsterdam Show | February, 1967 |
| 10. Chicago Show | February, 1967 |
| 11. Geneva Show | March, 1967 |

Assembly at New Takaoka Plant Begins



Toyota's production capacity was greatly increased on December 7, 1966, with the start of assembly operations at the new Takaoka Plant, a vast new plant located about 5 kilometers southwest of Toyota City.

Facilities include an assembly line, paint shop and welding line which are manned by a work force of 1,200. The new plant is capable of turning out 16,000 compacts monthly and will permit Toyota's Motomachi Plant to specialize in the production of bigger cars, thus greatly increasing the total output.

Spurred on by the surprisingly good reception of the new Corolla 1100, the four Toyota Motor plants — including the Main Plant for truck production, the Motomachi Plant for the Crown and Corona lines, the Kamigo engine plant and the new Takaoka facilities — are already humming along at near full capacity.

Toyota Completed New Higashi-Fuji Plant



In May, 1967, Toyota announced the start-up of its new \$7.2 million Higashi-Fuji Plant located near the eastern slopes of Mt. Fuji. The new plant has a capacity of 4,800 cars a year and will roll out limited-volume cars. It is to be manned by an initial workforce of 300-400 working one shift. The new plant, which is especially equipped to assemble the Crown Eight and Toyota Sports 800, occupies a 513-acre tract of land. Major facilities which have been completed include a body assembly shop, a painting shop, final assembly shop and a power plant. Also attached to the plant area is a 2.2-million high speed test circuit which permits testing of new cars at a maximum speed of 120 miles per hour with straight-aways extending 0.8 mile. With the addition of the new Higashi-Fuji Plant, Toyota's other plants will now be permitted to specialize in the assembly of high-volume cars and trucks to meet the increasing flow of orders from overseas and the home market.

Toyota Celebrated Completion of It's 3,000,000th Automobile



On February 7, 1967, Toyota achieved a record among automakers in Japan by becoming the first Japanese automobile producer to pass the 3-million level production mark. A Toyota Crown Deluxe won the honor of being the 3,000,000th automobile to be manufactured by Toyota since its founding

1966 Vehicle Production Totalled More Than 580,000 Units

In 1966, Toyota produced 587,539 units, for an increase of 23% over 1965.

Of this total, 316,189 were passenger cars which boosted Toyota's share of the domestic market by 33.9% over 1965. Production of the Toyota Corona totalled 188,833 units, or an increase of 45.5% over 1965.

Toyota's 1966 production of 587,539 vehicles ranked it as the world's 9th largest automotive producer.

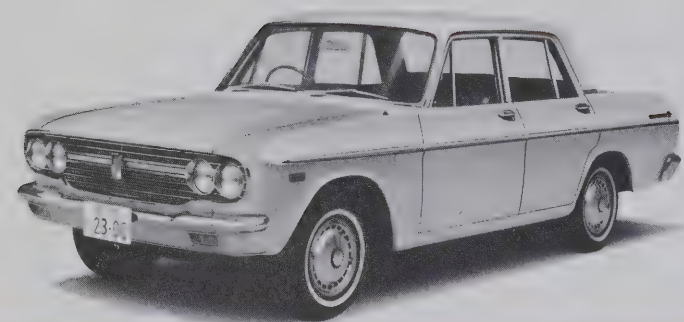
1966 Exports Rose to More Than 100,000 Vehicles

In 1966, Toyota exported 105,145 vehicles, or an increase of 65.7% over 1965.

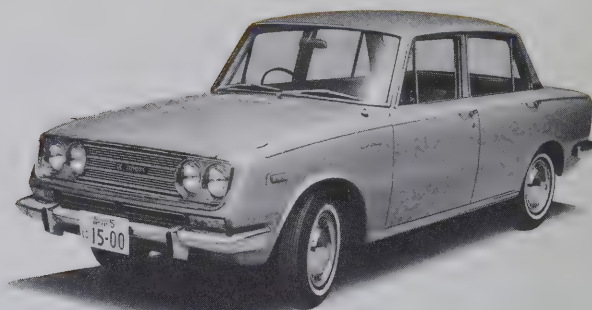
Of this total, 70,545 were passenger cars.

Exports of the Toyota Corona in 1966 were 56,183 units, for a spectacular increase of 162.7% over 1965.

TOYOTA VEHICLES NOW BEING EXPORTED



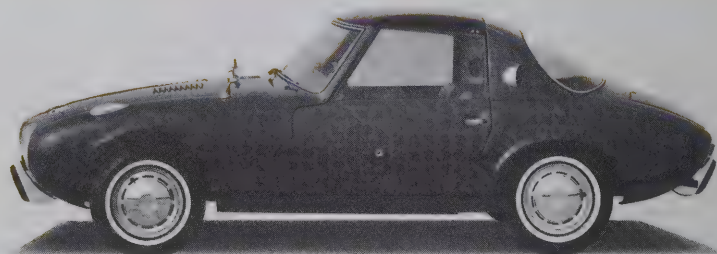
TOYOTA CROWN Deluxe Sedan
 TOYOTA CROWN Sedan
 TOYOTA CROWN Custom Station Wagon
 TOYOTA CROWN Utility Wagon
 TOYOTA CROWN Pickup



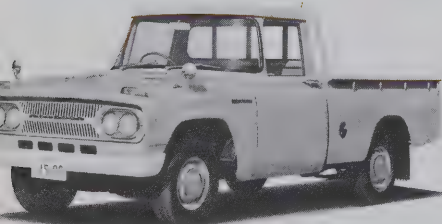
TOYOTA CORONA Deluxe Sedan
 TOYOTA CORONA Sedan
 TOYOTA CORONA Station Wagon
 TOYOTA CORONA Pickup
 TOYOTA CORONA 1600S
 TOYOTA CORONA Coupe 1600S
 TOYOTA CORONA 5-door Sedan



TOYOTA 2000 GT



TOYOTA SPORTS 800



TOYOTA LITE-STOUT



TOYOTA DYNA (Diesel or Gasoline)



TOYOTA LIGHT BUS (Diesel or Gasoline)



TOYOTA COROLLA 1100 2-door Sedan

TOYOTA COROLLA 1100 4-door Sedan

TOYOTA COROLLA 1100 Station Wagon

TOYOTA 800 Deluxe Sedan

TOYOTA 800 Sedan

TOYOTA 800 Station Wagon

TOYOTA 800 Pickup



TOYOTA 25

TOYOTA Land Cruiser, Canvas Top

TOYOTA Land Cruiser, Hard Top

TOYOTA Land Cruiser, Pickup

TOYOTA Land Cruiser, Station Wagon

TOYOTA STOUT



TOYOTA BUS (Diesel or Gasoline)

TOYOTA TRUCK (Diesel or Gasoline)

TOYOTA Industrial Trucks (Forklifts, etc.)

Production Shows Steady Increase, New Output Records Established

Toyota's 1966 production of cars was 587,539 units, or an increase of 23.0% over last year's figure of 477,643. This was a new production record for a single automaker in Japan.

An important feature of this figure is that the production of passenger cars accounted for over 50% of all types of vehicles produced. A large part of this success must

be credited to the fast-growing interest in the Toyota Corolla 1100, of which 12,180 units rolled off the assembly lines during November and December.

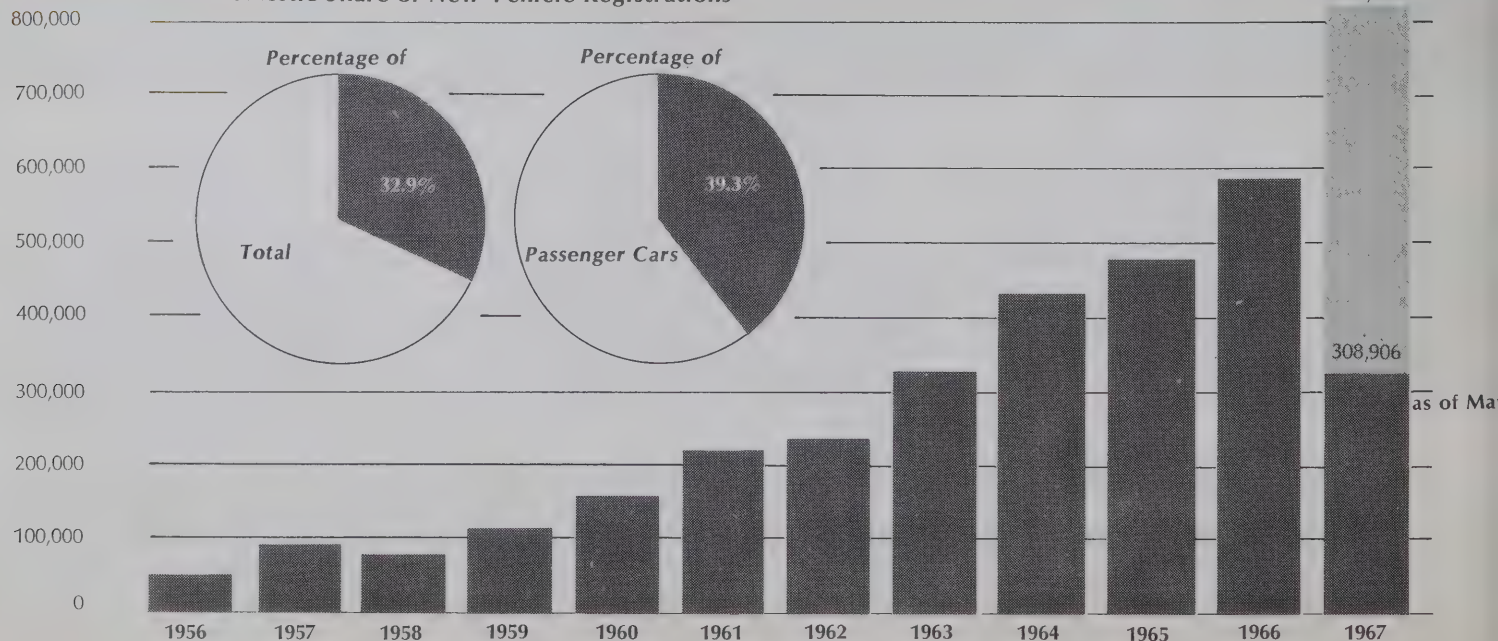
The popular Corona also gained greater shares of the domestic and overseas markets and special mention should be given to the production of the 500,000th Corona which came off the assembly lines in December 1966.

1966 Monthly Production Breakdown:

	Passenger cars				TOTAL	Small trucks	Large trucks	Buses	GRAND TOTAL
	Crown	Corona	Corolla 1100	Toyota 800					
TOTAL:	65,973	188,833	12,180	49,203	316,189	250,845	17,320	3,185	587,539
January	3,306	11,652	—	2,769*	17,727	13,593	1,479	200	32,999
February	4,569	15,361	—	2,984*	22,914	17,001	1,317	201	41,433
March	5,984	16,107	—	1,478*	23,569	20,330	1,592	219	45,710
April	5,735	14,649	—	4,640	25,024	22,361	1,443	266	49,094
May	6,680	15,569	—	5,311	27,560	22,296	1,583	215	51,653
June	5,795	14,898	—	5,404	26,097	21,324	1,422	247	49,090
July	4,826	15,407	—	5,165	25,398	21,399	1,272	256	48,325
August	3,943	15,738	—	5,097	24,778	20,329	1,304	236	46,647
September	4,285	16,716	—	4,666	25,667	22,793	1,599	181	50,240
October	6,344	17,443	2,965	4,054	30,806	23,010	1,463	322	55,601
November	7,042	16,719	4,100	3,645	31,506	24,803	1,465	421	58,195
December	7,464	18,574	5,115	3,990	35,143	21,606	1,381	422	58,552
January, 1967	5,469	17,491	5,195	2,595	30,750	19,559	1,223	380	51,912
February	5,658	20,028	7,244	3,863	36,793	22,245	1,555	411	61,004
March	6,318	21,032	8,655	3,464	39,469	25,575	1,600	382	67,026

* Toyota 700

1966 Domestic Share of New Vehicle Registrations



Toyota 1966 Exports Set New Japan Record Stimulated by Increasing Popularity Overseas

Toyota Motor Sales exports of automobiles in 1966 established a new record in Japan with a total of 105,145 units or a 65.7% increase over 1965.

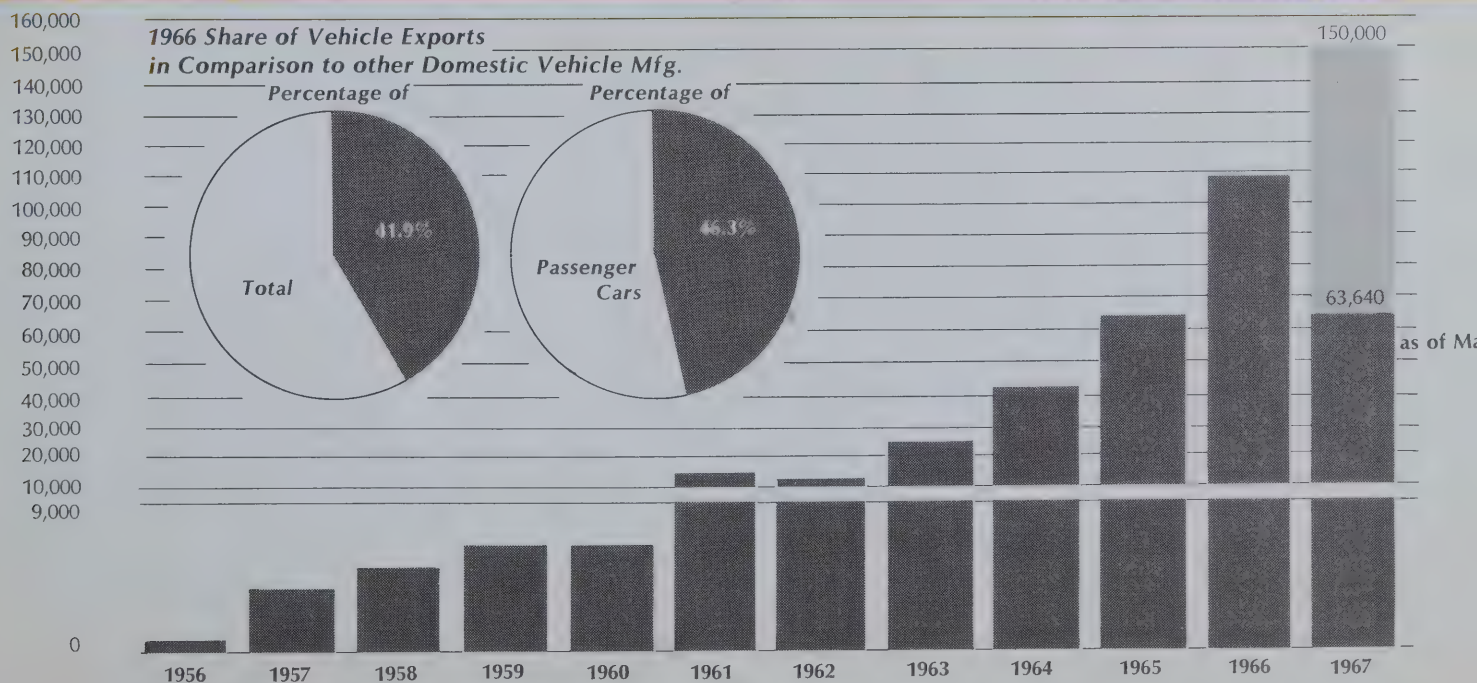
Toyota's increasing popularity overseas has been enhanced by Toyota's active participation in prominent exhibitions and auto shows, showings in well-known automobile races, and the strong support of overseas

distributors and dealers.

As early as May 1966, exports of the Toyota Corona reached 5,922 units, a new export record for a single model produced by a Japanese automaker. This was surpassed in January 1967 when, through continuous efforts by Toyota distributors and dealers overseas, exports of the Corona exceeded the 6,000-unit level.

1966 Breakdown of Toyota Vehicles Exported:

	Passenger cars				TOTAL	Small trucks	Large trucks	Buses	GRAND TOTAL
	Crown	Corona	Corolla 1100	Toyota 800					
TOTAL:	13,254	56,183	15	1,093	70,545	20,966	13,027	607	105,145
January	593	4,655	—	67	5,315	771	891	28	7,005
February	1,138	4,278	—	89	5,505	1,506	1,080	28	8,119
March	1,132	4,262	—	54	5,448	1,622	1,187	39	8,296
April	981	5,042	—	100	6,123	1,342	928	43	8,436
May	1,262	5,922	—	112	7,296	1,932	959	41	10,288
June	1,713	3,752	—	93	5,558	1,896	1,067	41	8,562
July	1,409	4,025	—	54	5,488	2,022	1,329	42	8,881
August	1,213	3,602	—	95	4,910	1,726	1,161	39	7,836
September	728	4,846	—	75	5,649	1,812	930	34	8,425
October	901	4,330	—	102	5,333	2,370	1,046	39	8,788
November	938	4,667	9	127	5,741	1,409	1,316	171	8,637
December	1,246	6,802	6	125	8,179	2,558	1,133	62	11,932
January, 1967	1,500	6,006	10	52	7,568	1,890	996	55	10,509
February	1,188	6,307	4	89	7,588	2,820	1,268	335	12,011
March	1,060	7,229	429	106	8,824	2,028	1,040	38	11,930

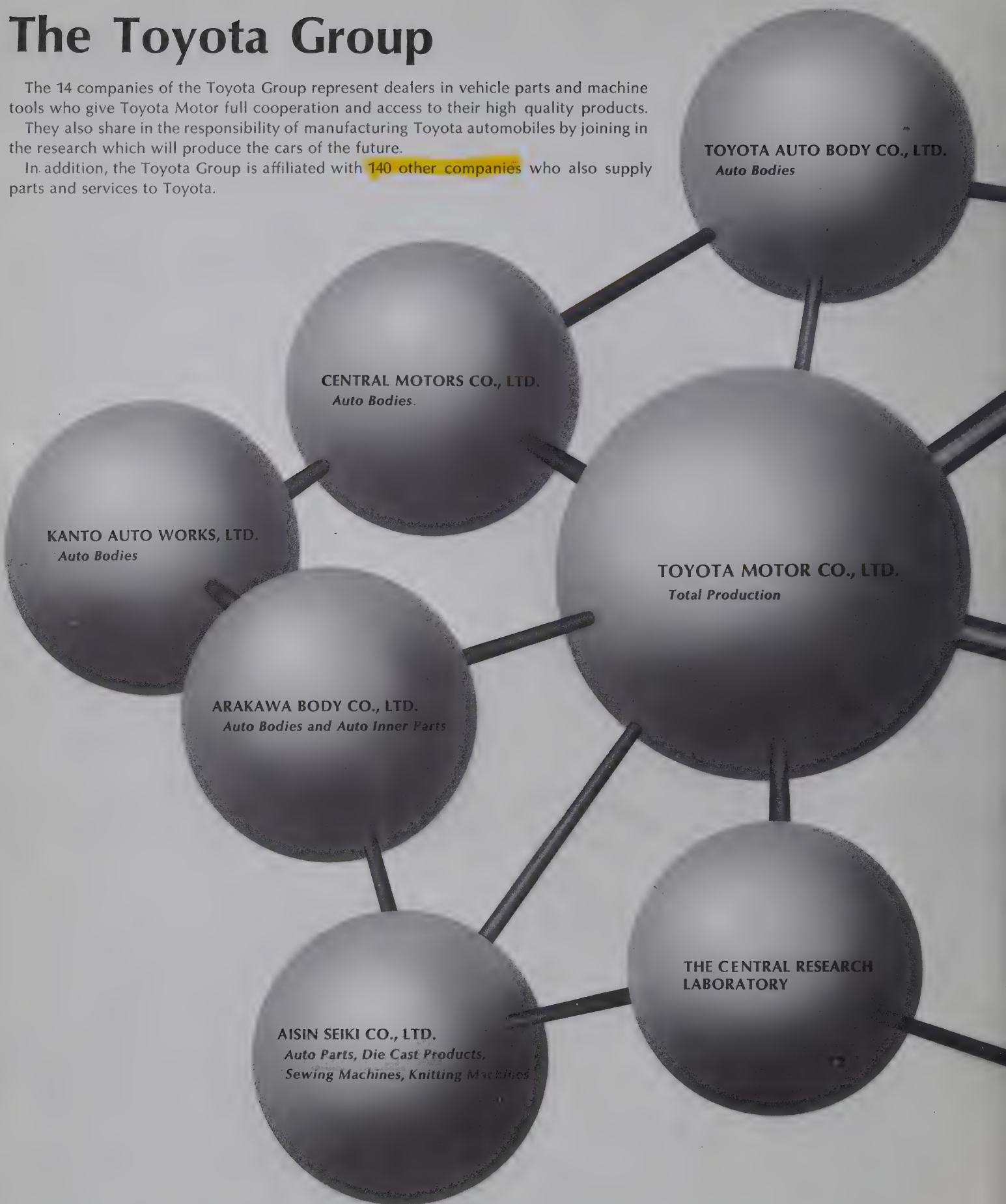


The Toyota Group

The 14 companies of the Toyota Group represent dealers in vehicle parts and machine tools who give Toyota Motor full cooperation and access to their high quality products.

They also share in the responsibility of manufacturing Toyota automobiles by joining in the research which will produce the cars of the future.

In addition, the Toyota Group is affiliated with 140 other companies who also supply parts and services to Toyota.




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graph TD; TMS[TOYOTA MOTOR SALES CO., LTD.  
Sales activities for Toyota Motor Co., Ltd.] --- TALW[TOYOTA AUTOMATIC LOOM WORKS, LTD.  
Spinning and Weaving Machinery, Fork Lift Trucks and Auto Parts, Agricultural Machinery, General Castings]; TMS --- ASW[AICHI STEEL WORKS, LTD.  
Spring Steel, Structural Carbon Steel, Structural Alloy Steel, Bearing Steel, Stainless Steel and Tool Steel]; TMS --- TMW[TOYOTA MACHINE WORKS, LTD.  
Machine Tools]; TMS --- TTK[TOYODA TSUSHO KAISHA, LTD.  
Exporters, Importers and General Merchants]; TMS --- TSC[TOYODA SPINNING CO., LTD.  
Cotton Yarns and Fabrics, Synthetic Yarns and Fabrics, Regenerated Fiber Yarns]; TMS --- NDC[NIPPON DENSO CO., LTD.  
Electrical Auto Parts and Accessories];
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TOYOTA AUTOMATIC LOOM WORKS, LTD.
Spinning and Weaving Machinery, Fork Lift Trucks and Auto Parts, Agricultural Machinery, General Castings

AICHI STEEL WORKS, LTD.
Spring Steel, Structural Carbon Steel, Structural Alloy Steel, Bearing Steel, Stainless Steel and Tool Steel

TOYOTA MOTOR SALES CO., LTD.
Sales activities for Toyota Motor Co., Ltd.

TOYOTA MACHINE WORKS, LTD.
Machine Tools

TOYODA TSUSHO KAISHA, LTD.
Exporters, Importers and General Merchants

TOYODA SPINNING CO., LTD.
Cotton Yarns and Fabrics, Synthetic Yarns and Fabrics, Regenerated Fiber Yarns

NIPPON DENSO CO., LTD.
Electrical Auto Parts and Accessories

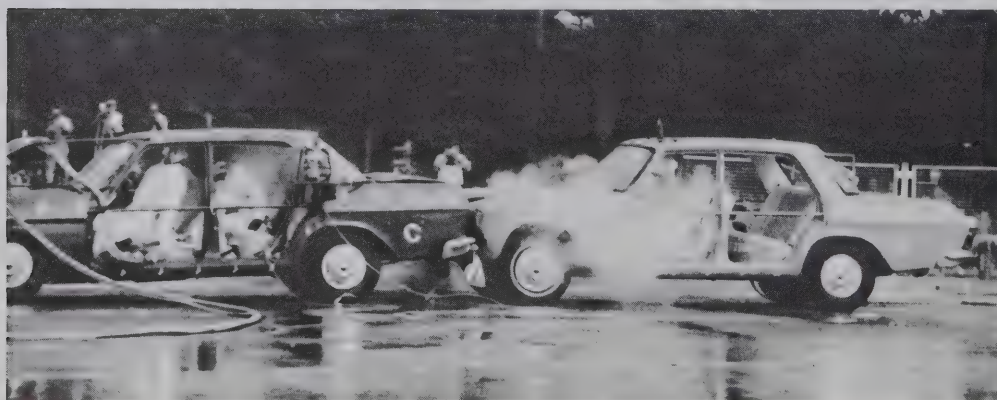
Quality Improvement and Safety of Cars Emphasized by Toyota Motor Industry

Contributions to quality control and particularly improvements in car safety are two of the main objectives of Toyota Motor. One of the Toyota subsidiary companies, Kanto Auto Works, Ltd., was awarded the Deming Prize for 1966 in recognition of its efforts and achievements in the promotion of quality control.

The qualities which have made Toyota models so well-accepted by the public are now receiving more emphasis than ever as dependable performance, driv-

ing comfort, economy, durability and safety are stressed increasingly. Continuous improvements have been made to make interiors safer by padding such items as the instrument panel, center of the steering wheel, sunvisors and backs of front seats. Non-reflective glass is also being used in the instrument panels.

This continuous improvement of even the smallest details is typical of the great care Toyota takes to enhance the quality and safety of its car lines.



What Lies Ahead

Spurred by the outstanding success of 1966 which saw Toyota Motor Co., Ltd. establish new production, export and performance records, we are now hard at work attempting to surpass even this spectacular year. Much of the success of 1966 can be attributed to the cooperation of our affiliates and to the zealous efforts of our dealers and representatives abroad. Their continued efforts joined with ours now promise that one day Toyota will move up from its position as the world's 9th largest automaker to even more productive heights. But however rapidly we may advance, Toyota's main concern is being able to offer you even better service and products. Quality first and always is our major goal.

TOYOTA MOTOR

AR24

file
Canadian Motor
Industries.
SEMI-ANNUAL REPORT
DECEMBER 1967-MAY 1968



NEWLY INTRODUCED TOYOTA COROLLA SPRINTER



COVER PICTURE: Bird's-eye view of Toyota toll gate of newly opened Tokyo-Nagoya Expressway and Motomachi Plant. The car on front cover is the Toyota Corolla Sprinter.



Taizo Ishida

Eiji Toyoda

TO OUR SHAREHOLDERS

It is a pleasure to present this report for our 57th six-month term ended May 31, 1968. The economy during this term has entered a period of adjustment as the tight money policy of the government, which has been in effect since last September, was further tightened at the beginning of 1968 when the official discount rate was raised amid the turbulent international monetary situation.

To cope with such economic condition, we have taken aggressive steps in all areas of operations and we have been able to achieve excellent records in sales and net income for this term.

Future competition in the industry is expected to increase intensiveness with the progress of liberalization of direct investment from abroad. Our efforts will continue to be directed towards betterment in all phases of operations including improvement on the quality and performance of the products and reduction of cost through modernization and expansion of plant facilities, along with strengthening of sales network in both the domestic and overseas markets so as to develop into the "World's Toyota."

Your continued support and encouragement are solicited.

July 1968

Chairman

President

BUSINESS REVIEW

PRODUCTION AND SALES

Production for this term was kept at high levels. In each month from March through May, monthly production exceeded 90,000 units, bringing the total production for the term to a record high of 500,790 units, 12% higher than in the previous term. The cumulative total of the Company's production passed the four-million mark in March—another milestone we have established for the first time in the Japanese motor industry.

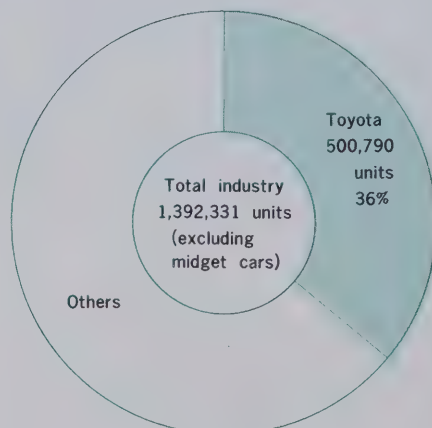
The sales were also very favorable reflecting ever stronger demand for our passenger cars and light commercial vehicles. The total factory sales were 505,585 units and 252,040 million yen—both highest in the Company's history.

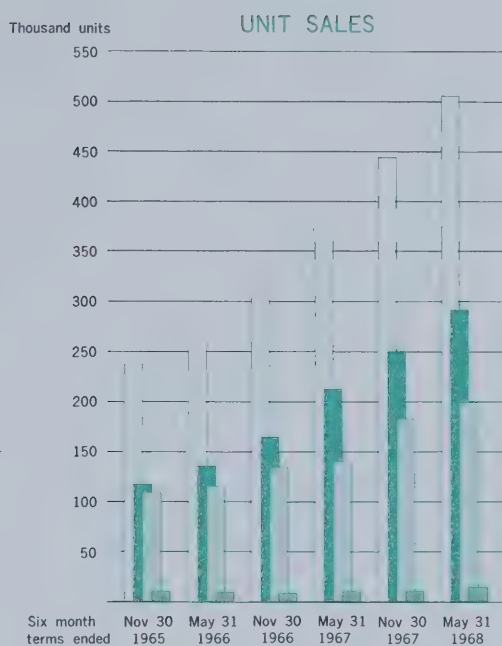
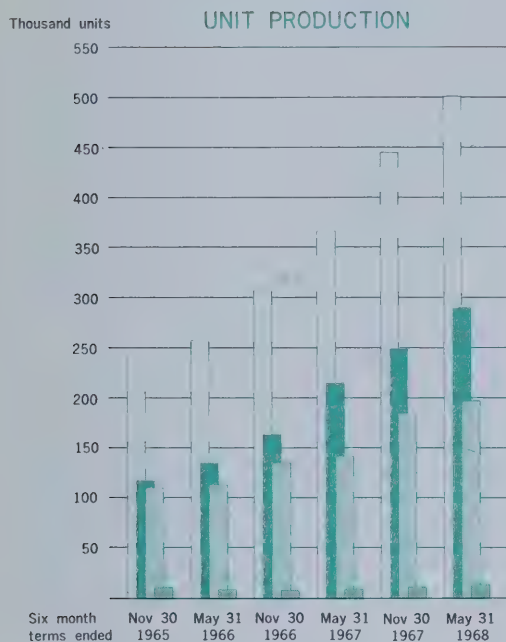
In passenger car lines, the Crown, Corona and Corolla all recorded high level factory sales while the Publica dipped a little due to temporary production halt for minor styling change. In the Corona line a number of additional safety features were incorporated, and the 'Golden Series' has been introduced which features an entirely new 1.6 litre overhead-camshaft engine and disc brakes on front wheels. In the Corolla line, a new Sprinter model with sporty swift-back body and SL type cars with more powerful engine and front disc brakes have been introduced. With the addition of these models, the Corolla line offers a wide variety of body types and specifications to a growing mass market. The total unit sales of passenger cars were 291,896 units, an increase of 17% over the previous term.

In the light commercial vehicle category, an entirely new 1-tonner truck Toyota Hi-lux, offering utmost in styling and performance in its class, was announced. New body types have been added to Toyota Dyna truck and Toyota Hi-Ace van. The total unit sales of light commercial vehicles increased about 10% amounting to 199,894 units.

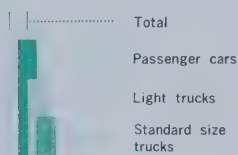
The sales of standard-size commercial vehicles showed a gain of 27% over the previous term totaling 13,795 units.

TOYOTA'S SHARE OF PRODUCTION
(DEC '67-MAY '68)

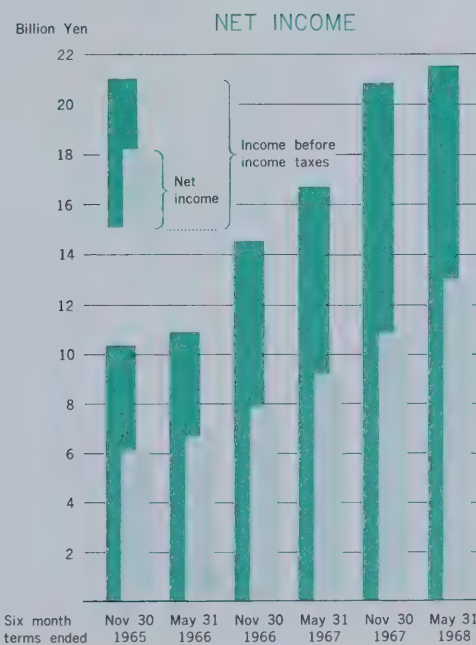
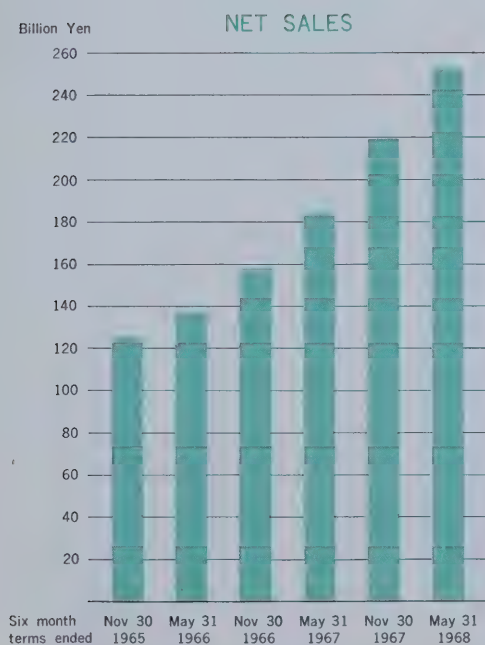
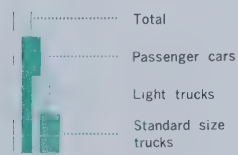




UNIT PRODUCTION



UNIT SALES



EXPORT

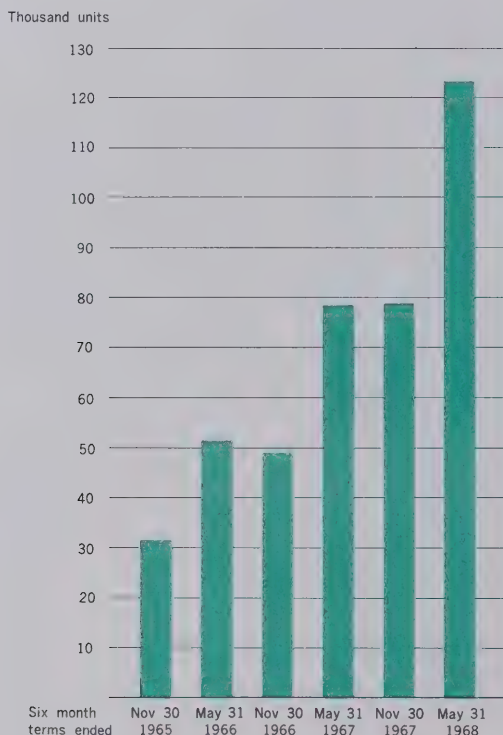
Our export reached a new landmark in March when monthly export shipment exceeded 20,000 units. Behind this achievement lies the incessant joint effort of the Company and Toyota Motor Sales Co., Ltd. to establish overseas sales network and local assembly plants in necessary countries. Also during the period cumulative total of export reached 500,000 units, out of which more than 100,000 units were shipped to the United States. The total factory sales for export for the term set a new record of 123,455 units, up 56% over the previous term, amounting to ¥46,098 million.

The Corolla cars which have formerly been shipped to Europe and Australia began to be shipped to the United States as well in April. With added sales power of the Sprinter, the Corolla line appears to join the Corona to be mainstays of our future export sales.

The ten largest export destinations during this term were as follows.

1. U. S. A.	38,718 units	6. Canada	3,929 units
2. Australia	18,304	7. Belgium	3,668
3. South Africa	7,543	8. Thailand	3,622
4. Republic of Korea	7,417	9. Finland	2,548
5. Puerto Rico	4,219	10. Philippines	2,357

UNIT EXPORT SALES





Corona Hardtop on a university campus in California, U.S.A.



TOYOTA COROLLA 2 DOOR DELUXE



TOYOTA COROLLA SPRINTER



TOYOTA 2000GT

TOYOT



TOYOTA HI-LUX DELUXE



TOYOPET CROWN VAN



TOYOPET CORONA VAN DELUXE



TOYOTA COROLLA VAN DELUXE



PUBLICA VAN DELUXE



TOYOTA DIESEL REAR ENGINE BUS



TOYOTA LIGHT BUS



TOYOTA DYNA



TOYOTA STOUT



TOYO-ACE



TOYOTA HI-ACE



TOYOTA MINI-ACE



TOYOTA DIESEL TRUCK



TOYOTA LAND CRUISER

TOYOTA MOTOR



PUBLICA DELUXE



TOYOPET CORONA DELUXE



TOYOTA 1600GT



TOYOPET CROWN SUPER DELUXE

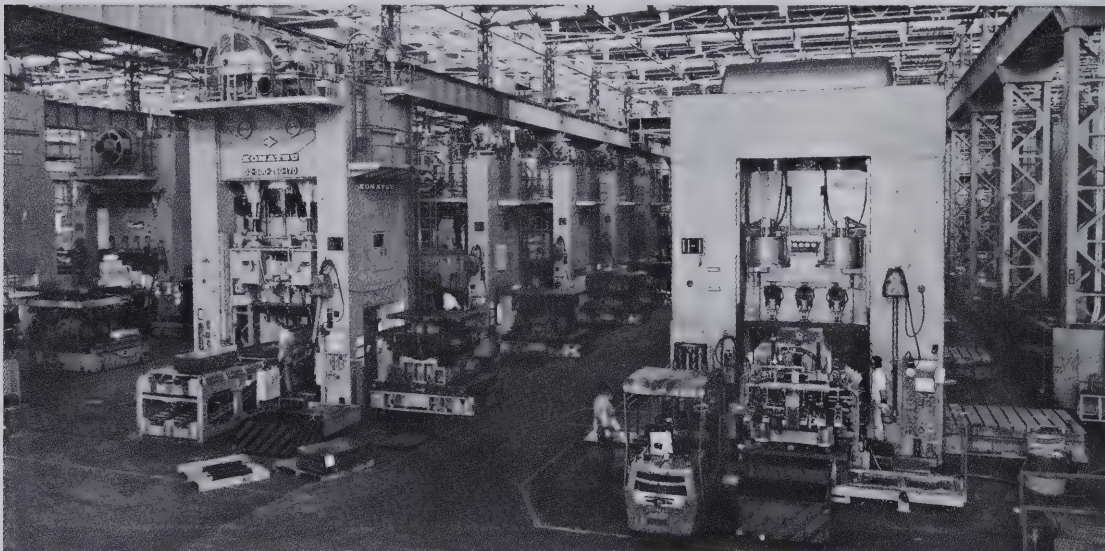


TOYOTA CENTURY

FACILITIES

Modernization and expansion of plant facilities were continued throughout this term in order to improve quality and performance of the products and to establish mass-production system to prepare for the nearing liberalization of direct investment from abroad.

Major additions during this term included the second assembly shop at Takaoka plant, which will enable the Company to better cope with the growing demand for popular cars. Welfare facilities for the employees including dormitories were also added to facilitate expanding work force to prepare for the expected future production increase.



Press lines at Takaoka Plant

SHARES

NUMBER OF SHARES

Authorized: 3,000,000,000 shares
Outstanding: 780,300,000

NUMBER OF SHAREHOLDERS

80,265 persons

LEADING SHAREHOLDERS

(MORE THAN 10 MILLION SHARES)

Toyoda Automatic Loom Works, Ltd.	32,640,010 shares
The Mitsui Bank, Ltd.	32,000,000
The Tokai Bank, Ltd.	31,000,000
Nippon Securities Holding Association	30,000,000
The Toyo Trust & Banking Co., Ltd.	27,194,013
Nippon Kyodo Securities Co., Ltd.	25,500,000
The Sanwa Bank, Ltd.	24,000,000
Nippon Life Insurance Co.	23,600,000
The Long-Term Credit Bank of Japan, Ltd.	18,000,000
The Daiwa Bank, Ltd.	16,503,100
The Dai-ichi Mutual Life Insurance Co.	14,600,000
The Kyowa Bank, Ltd.	13,000,000
The Mitsui Mutual Life Insurance Co.	12,699,000
The Mitsubishi Trust & Banking Corp.	12,503,399
The Mitsui Trust & Banking Co., Ltd.	12,011,000
Taisho Marine & Fire Insurance Co., Ltd.	11,500,000
Asahi Mutual Life Insurance Co.	10,200,000
The Meiji Mutual Life Insurance Co.	10,200,000

STATEMENT OF INCOME

SIX MONTHS ENDED MAY 31, 1968

	¥	\$
SALES AND OTHER INCOME:		
Sales	252,040,007,762	700,111,133
Other income;		
Interest	3,328,797,617	9,246,660
Dividends	930,401,767	2,584,449
Miscellaneous	803,868,986	2,232,969
	<u>257,103,076,132</u>	<u>714,175,211</u>
COST AND EXPENSES:		
Cost of sales	210,179,841,359	583,832,892
Selling, general and administrative	17,360,327,616	48,223,132
Interest	1,290,922,784	3,585,897
Special depreciation	4,014,773,663	11,152,149
Other	2,185,957,772	6,072,105
	<u>235,031,823,194</u>	<u>652,866,175</u>
INCOME BEFORE SPECIAL LOSSES	22,071,252,938	61,309,036
SPECIAL LOSSES:		
Provision for cultivation of overseas markets	564,893,312	1,569,148
Provision for foreign operations	26,553,754	73,761
	<u>591,447,066</u>	<u>1,642,909</u>
INCOME BEFORE INCOME TAXES	21,479,805,872	59,666,127
PROVISION FOR INCOME TAXES	8,500,000,000	23,611,111
NET INCOME FOR TERM	<u>¥ 12,979,805,872</u>	<u>\$ 36,055,016</u>

Notes: 1. The U.S. dollar amounts are included solely for convenience and are stated, as a matter of arithmetical computation only, at the rate of ¥360 equals U.S. \$1. These translations should not be construed as representations that the Japanese yen amounts actually represent, or have been or could be converted into, United States dollars at that or any other rate.

2. Transactions with the subsidiaries:

a. Sales to ¥ 1,995,824,530 (\$ 5,543,957)
b. Purchases from ¥ 12,188,865,198 (\$ 33,857,959)

BALANCE SHEET, MAY 31, 1968

ASSETS

	¥	\$
CURRENT ASSETS:		
Cash	39,150,016,137	108,750,045
Notes receivable	64,558,658,946	179,329,608
Accounts receivable	6,207,729,111	17,243,692
Finished goods	1,884,878,726	5,235,774
Raw materials	709,256,858	1,970,158
Goods in process	6,629,048,143	18,414,023
Supplies	356,461,025	990,170
Short-term loans	1,475,152,743	4,097,646
Other current assets	735,769,369	2,043,804
TOTAL CURRENT ASSETS	<u>121,706,971,058</u>	<u>338,074,920</u>
 INVESTMENTS AND LONG-TERM LOANS:		
Investments in securities	23,917,354,597	66,437,096
Investments in subsidiaries	2,796,147,193	7,767,075
Long-term loans	2,208,643,972	6,135,122
Other investments	<u>1,259,141,282</u>	<u>3,497,615</u>
TOTAL INVESTMENTS AND LONG-TERM LOANS	<u>30,181,287,044</u>	<u>83,836,908</u>
 PROPERTY, PLANT AND EQUIPMENT:		
Land	8,090,295,966	22,473,044
Buildings	50,861,896,708	141,283,046
Machinery and equipment	164,108,459,703	455,856,833
Construction in progress	8,384,996,802	23,291,658
	<u>231,445,649,179</u>	<u>642,904,581</u>
Less accumulated depreciation	<u>123,396,738,830</u>	<u>342,768,719</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>108,048,910,349</u>	<u>300,135,862</u>
	 <u>¥ 259,937,168,451</u>	 <u>\$ 722,047,690</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	¥	\$
CURRENT LIABILITIES:		
Current portion of long-term debt	6,107,675,198	16,965,764
Notes payable	15,155,200,000	42,097,778
Accounts payable—trade	28,304,614,888	78,623,930
Accounts payable—other	6,962,205,333	19,339,459
Accrued expenses	12,406,033,990	34,461,206
Deposits received	7,475,178,810	20,764,386
Employees' deposits	7,411,492,887	20,587,480
Accrued taxes on income	11,896,945,029	33,047,070
Other current liabilities	343,820,319	955,056
TOTAL CURRENT LIABILITIES	96,063,166,454	266,842,129
LONG-TERM DEBT:		
Mortgage bonds	9,678,800,000	26,885,556
Bank loans	9,401,596,861	26,115,547
Other long-term debt	56,058,930	155,719
TOTAL LONG-TERM DEBT	19,136,455,791	53,156,822
RESERVES FOR:		
Severance indemnities	7,482,590,400	20,784,974
Doubtful accounts	2,509,403,380	6,970,565
Inventory price fluctuation	1,817,543,650	5,048,732
Repairs	201,900,000	560,833
Special depreciation	9,900,000,000	27,500,000
Cultivation of overseas markets	2,368,048,753	6,577,913
Foreign operations	2,461,687,191	6,838,020
Development	4,500,000,000	12,500,000
TOTAL RESERVES	31,241,173,374	86,781,037
SHAREHOLDERS' EQUITY:		
Capital stock	39,015,000,000	108,375,000
Capital in excess of par value	2,683,417,665	7,453,938
Revaluation surplus	1,048,048,818	2,911,246
Legal reserve	8,700,000,000	24,166,667
General and dividend reserves	46,230,000,000	128,416,667
Unappropriated income brought forward	2,840,100,477	7,889,168
Net income for term	12,979,805,872	36,055,016
TOTAL SHAREHOLDERS' EQUITY	113,496,372,832	315,267,702
	¥ 259,937,168,451	\$ 722,047,690

Notes: 1. Discounted notes receivable amount to ¥ 5,094,102,696 (\$ 14,150,285)

2. Accounts with the subsidiaries:

a. Short-term credits

b. Long-term credits

c. Current liabilities

STATEMENT OF INCOME APPROPRIATION

SIX MONTHS ENDED MAY 31, 1968

	¥	\$
INCOME AVAILABLE FOR APPROPRIATION:		
Unappropriated income brought forward	2,840,100,477	7,889,168
Net income for term	12,979,805,872	36,055,016
Transfer from amount previously appropriated for dividend reserve (no longer required).	230,000,000	638,889
	<u>16,049,906,349</u>	<u>44,583,073</u>
INCOME APPROPRIATED FOR:		
Cash dividend—¥4.00 per share	3,121,200,000	8,670,000
Legal reserve	1,053,750,000	2,927,083
General reserve	9,000,000,000	25,000,000
Directors' bonus	40,000,000	111,111
	<u>13,214,950,000</u>	<u>36,708,194</u>
UNAPPROPRIATED INCOME		
CARRIED FORWARD	<u>¥ 2,834,956,349</u>	<u>\$ 7,874,879</u>

DIRECTORS

Taizo Ishida, Chairman of the Board of Directors
 Eiji Toyoda, President and Director
 Shuji Ohno, Executive Vice President and Director
 Shoichi Saito, Executive Vice President and Director
 Shoichiro Toyoda, Senior Managing Director
 Masao Yamamoto, Senior Managing Director
 Hideo Tsutsumi, Managing Director
 Taiichi Ohno, Managing Director
 Masaya Hanai, Managing Director
 Masaaki Noguchi, Managing Director
 Shoichi Matsuo, Managing Director
 Tatsu Inagawa, Director
 Hidetaro Mori, Director
 Tozo Yabuta, Director
 Keimei Yamamoto, Director
 Tatsuo Hasegawa, Director
 Akira Sakuma, Director

AUDITORS(statutory)

Yuugo Naruse, Statutory Auditor
 Shotaro Kamiya, Statutory Auditor
 Masuo Yanagi, Statutory Auditor

(Above members are as of May 31, 1968.)

FINANCIAL SUMMARY

	Six Month Terms Ended					
	May 31 1968	Nov 30 1967	May 31 1967	Nov 30 1966	May 31 1966	Nov 30 1965
(Yen amounts in millions unless otherwise noted)						
RESULTS FOR THE TERM:						
Unit sales	505,585	443,249	362,530	306,665	260,849	238,129
Sales	¥ 252,040	217,874	183,426	157,664	136,170	123,968
Income before income taxes	¥ 21,480	20,799	16,668	14,498	10,875	10,310
Provision for income taxes	¥ 8,500	9,900	7,500	6,600	4,200	4,200
Net income	¥ 12,980	10,899	9,168	7,898	6,675	6,110
As a percent of sales	5.1%	5.0%	5.0%	5.0%	4.9%	4.9%
Dividend	¥ 3,121	3,825	3,060	3,060	3,060	3,060
Per share (in Yen)	¥ 4.00	5.00	4.00	4.00	4.00	4.00
Retained income	¥ 9,819	7,034	6,070	4,808	3,585	3,020
NUMBER OF EMPLOYEES	32,285	30,185	28,277	25,580	24,347	22,595

TERM END POSITION:

Current assets	¥ 121,707	120,801	100,799	99,235	95,218	90,666
Current liabilities	¥ 96,063	87,367	64,302	60,511	53,529	49,815
Net working capital	¥ 25,644	33,434	36,497	38,724	41,689	40,851
Property, plant and equipment, at cost . .	¥ 231,446	196,959	172,984	156,343	140,846	129,529
Accumulated depreciation	¥ 123,397	109,074	98,414	88,290	78,680	70,206
Net property, plant and equipment	¥ 108,049	87,885	74,570	68,053	62,166	59,323
Long-term debt	¥ 19,136	19,021	19,924	23,107	27,280	26,308
Total assets	¥ 259,937	239,271	204,833	194,421	183,842	174,425
Shareholders' equity	¥ 113,496	103,617	95,816	89,738	84,930	81,346
Capital outstanding	¥ 39,015	38,250	38,250	38,250	38,250	38,250
Number of shares outstanding (in thousands)	780,300	765,000	765,000	765,000	765,000	765,000

MEMO FOR SHAREHOLDERS

GENERAL MEETING OF SHAREHOLDERS:

Ordinary;

At the end of January and July

Extraordinary;

As required

RECORD DATE:

May 31 and November 30

STOCK TRANSFER AGENT:

The Toyo Trust & Banking Co., Ltd., Tokyo



TOYOTA MOTOR CO., LTD.

Head Office:
1, Toyota-cho, Toyota, Aichi, Japan



トヨタ自動車株式会社 愛知県豊田市

TOYOTA MOTOR

file

AR24

SEMI-ANNUAL REPORT
DECEMBER 1969 — MAY 1970



◀ COVER PICTURE

Re-styled Sprinter SL Sedan
with an old *gassho-zukuri*
(folded palms) structured
house of snowy, mountain
region of Hida in Central
Japan in the background



Completely re-styled Corona SL Sedan



Taizo Ishida

Eiji Toyoda

TO OUR SHAREHOLDERS

It is a pleasure to present this report for our 61st half-year term ended May 31, 1970.

The nation's economy during this term saw the government's tight-money policy, which was adopted in September, 1969, increase its impact on business activities and on corporate finance.

In such an environment, the Company pressed forward various measures to improve all phases of business operations. As a result, both the net sales and net income exceeded those of the preceding term in spite of temporary reductions in the level of production due to major model change-overs of the Corona and Corolla, two of the Company's top-selling lines.

New milestones were reached during the term when the cumulative total production of the Corona series of passenger and commercial cars reached two million units, establishing a new record in Japan, and when one millionth units were produced in the Crown and Corolla series.

Outlook for the future automobile business contains some uncertain factors. The management will endeavor to further enhance the Company's competitive position on the international level and strengthen the structure of the enterprise, so as to further expand the business of the Company.

At the same time, efforts will also be directed towards improvement on safety and emission problems connected with motor vehicles.

Your continued support and encouragement are solicited.

July, 1970

A handwritten signature in cursive script, reading "Taizo Ishida".

Chairman

A handwritten signature in cursive script, reading "Eiji Toyoda".

President

BUSINESS REVIEW

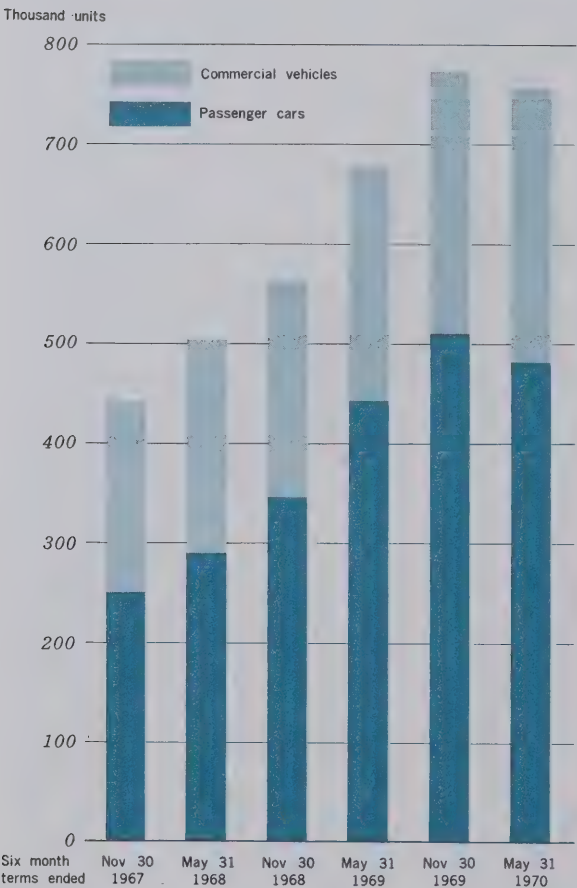
PRODUCTION AND SALES

Total unit production for the term were 745,058 units, due to lowered level of production during the major model change-overs of the two of our mass-produced lines—the Corona and Corolla. The production of the new models is steadily increasing, and we expect the total production in the next term to show further increase.

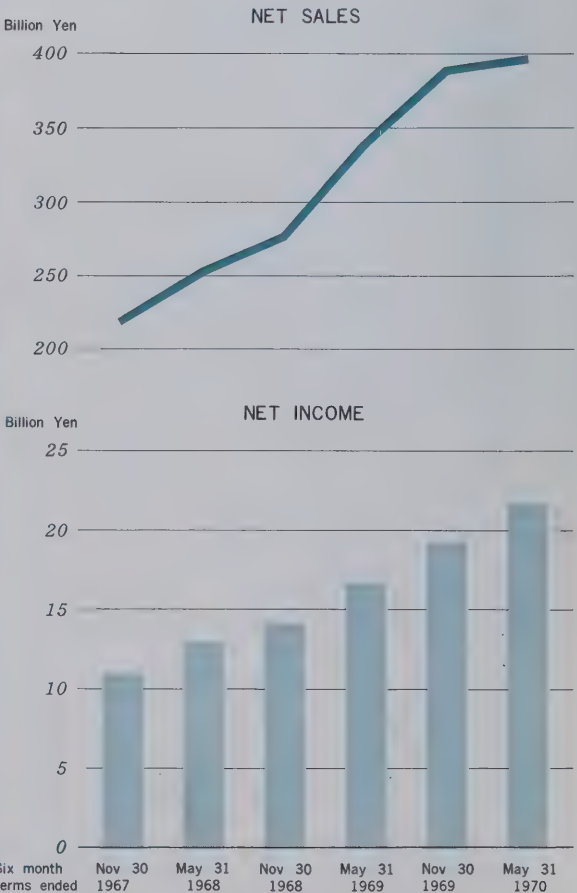
On the sales front, the domestic sales proceeded favorably in spite of the severe market conditions, reflecting vigor and efficiency of the Company's sales organization. However, the export shipments were restricted due to shortage of vehicles during the model change-overs, leaving unfilled orders. Thus, the total unit sales were slightly below the preceding term, totaling 758,967 units. However, the net sales exceeded the previous term, amounting to 396 billion yen.

The factory sales of passenger cars were 483,361 units, which reflected, on the

UNIT SALES



NET SALES AND INCOME

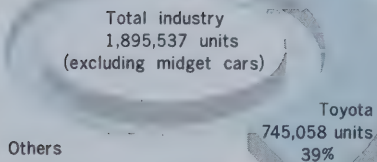


one hand, favorable sales of the Crown line and, on the other, reduced level of sales of the Corona and Corolla lines due to model change-overs. The new models of the Corona and Corolla are enthusiastically received by the customers for their new fresh appearance and improved safety and comfort features which make these lines desirable family cars. It is expected that the sales of these lines will contribute to the increased sales in the coming terms.

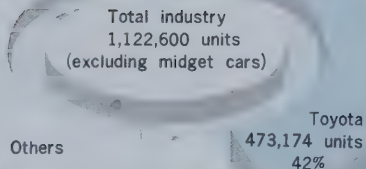
The factory sales of the commercial vehicles were 275,606 units, slightly surpassing the previous term. During the term, re-styled Hi-Ace and Hi-Lux light commercial vehicles were announced and new models were added to the popular Coaster light bus line.

TOYOTA'S SHARE OF PRODUCTION (DEC 1969—MAY 1970)

TOTAL PRODUCTION



PASSENGER CARS



EXPORT

The Company has been reinforcing its export sales activities in joint efforts with Toyota Motor Sales Co., Ltd., by consolidating export organization and strengthening the sales outlets in the export markets.

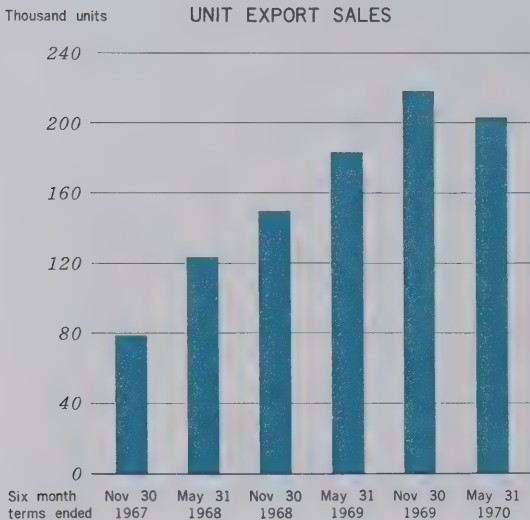
Factory sales for export were lower than the previous term reflecting major model change-overs of the Corona and Corolla lines. The total unit sales for export were 203,131 units amounting to 79.4 billion yen.

EXPORT SALES, Value and Units

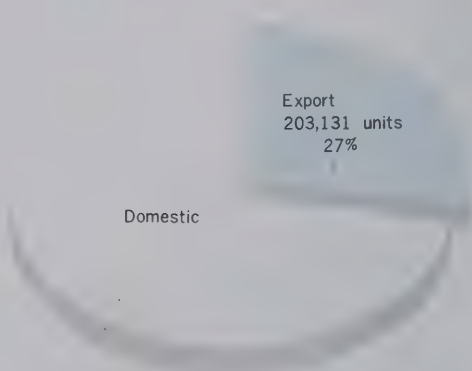
TEN LEADING EXPORT MARKETS
(DEC 1969—MAY 1970)



U. S. A.	82,352 units
Australia	17,536
Canada	16,633
South Africa	12,468
Finland	7,400
Republic of Korea ...	5,882
Thailand	5,498
Puerto Rico	4,881
Belgium	3,422
Switzerland	2,871



RATIO OF UNIT EXPORT SALES
TO TOTAL UNIT SALES
(DEC 1969—MAY 1970)



However, the demands for the Corona and Corolla lines in the United States and other export markets are high that we expect further increase in the export sales in the coming terms.

To cope with the increasing export sales, new boats are being added to our fleet of special export boats. In April the Toyota-Maru No.7 sailed out on its maiden voyage. The Toyota-Maru No.8 and No.10 have been launched. These new special export boats will greatly contribute to the future increase of our export sales.

Crown Deluxe Sedan in front of Toronto's "Casa Loma" castle





CROWN Deluxe Sedan



COROLLA 1200 2-Door Hi-Deluxe Sedan



TOYOTA 1000 SL Sedan



CORONA MARK II GSL Sedan



CENTURY Sedan



CORONA MARK II GSL Hardtop



COROLLA 1200 Deluxe Coupe

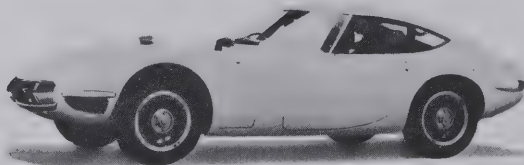


CROWN Super Deluxe Hardtop

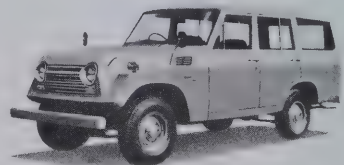


Exhaust gas analysis laboratory

Toyota carries on aggressive programs to minimize air pollution due to motor vehicle emission which include various stages of research, development, manufacturing and servicing.



TOYOTA 2000 GT



LAND CRUISER Station Wagon



DYNA Truck



STOUT Pickup



HI-LUX Pickup



Above: Color-simulator

Body color of automobiles projected on the screen can be freely changed by the optical instrument. With this instrument our stylists can study various color effects on car bodies.

Right: Crash test

Studies on safety, ranging from fundamental structural analysis to actual crash tests, are conducted to assure safety of automobiles.



COASTER Light Bus



TOYOTA Diesel Truck



TOYOTA 25 Pickup



HI-ACE Pickup



MINI-ACE Pickup

FACILITIES

The Company has been endeavoring to expand and modernize production and engineering facilities in order to establish mass-production system and to improve quality and performance of the products in the face of nearing liberalization of direct investment from abroad. During this term particular emphasis has been placed on research and development departments in order to carry on studies on the safety and air pollution problems of motor vehicles along with the development of new products and new technology.

At Toyota Technical Center, an all-weather wind tunnel to analyse complicated problems that accompany high speed operation of motor vehicles has been installed. In the inspection departments, additional instruments have been installed to check and adjust the exhaust gas of all the engines.

As for production plants, Tsutsumi Plant, which will be the third passenger car plant after Motomachi and Takaoka, is being constructed in order to increase the total annual production capacity of the Company to two million units. The buildings of the plant are almost completed, and a part of machine shop has been put into operation since May.

As for welfare facilities, eleven-story apartment buildings have been completed in Ekaku district near Kamigo Plant to house 576 families. Thus, expansions are carried out in all departments to cope with future production increase.



The Ekaku apartment buildings

STATEMENT OF INCOME

SIX MONTHS ENDED MAY 31, 1970

	¥	\$
SALES AND OTHER INCOME:		
Sales	396,020,884,288	1,100,058,012
Other income;		
Interest	4,985,262,018	13,847,950
Dividends	1,313,096,630	3,647,491
Miscellaneous	2,092,229,198	5,811,748
	<u>404,411,472,134</u>	<u>1,123,365,201</u>
COST AND EXPENSES:		
Cost of sales	335,281,395,359	931,337,209
Selling, general and administrative	24,495,747,744	68,043,744
Interest	1,466,872,386	4,074,646
Other	2,751,960,994	7,644,336
	<u>363,995,976,483</u>	<u>1,011,099,935</u>
INCOME BEFORE SPECIAL		
INCOME AND LOSSES	40,415,495,651	112,265,266
SPECIAL INCOME:		
Transfer from the excess amount		
of accumulated depreciation	2,000,000,000	5,555,556
SPECIAL LOSSES:		
Provision for cultivation of overseas markets	1,162,239,388	3,228,443
Provision for special depreciation	6,700,000,000	18,611,111
Provision for exhibits at World Exposition	15,000,000	41,667
	<u>7,877,239,388</u>	<u>21,881,221</u>
INCOME BEFORE INCOME TAXES	34,538,256,263	95,939,601
PROVISION FOR INCOME TAXES	13,000,000,000	36,111,111
NET INCOME FOR TERM	<u>¥ 21,538,256,263</u>	<u>\$ 59,828,490</u>

Notes: 1. The U.S. dollar amounts are included solely for convenience and are stated, as a matter of arithmetical computation only, at the rate of ¥360 equals U.S. \$1. These translations should not be construed as representations that the Japanese yen amounts actually represent, or have been or could be converted into, United States dollars at that or any other rate.

2. Transactions with the subsidiaries:

a. Sales to	¥ 3,123,096,316	(\$ 8,675,268)
b. Purchases from	¥ 19,035,030,597	(\$ 52,875,085)

BALANCE SHEET, MAY 31, 1970

ASSETS

	¥	\$
CURRENT ASSETS:		
Cash.....	39,310,851,989	109,196,811
Notes receivable.....	106,912,535,448	296,979,265
Accounts receivable	10,391,248,740	28,864,580
Marketable securities	18,492,782,751	51,368,841
Finished goods.....	1,537,638,102	4,271,217
Raw materials	2,092,469,314	5,812,415
Goods in process	7,442,471,496	20,673,532
Supplies	487,710,439	1,354,751
Short-term loans.....	1,833,206,801	5,092,241
Other current assets.....	712,388,243	1,978,856
TOTAL CURRENT ASSETS	189,213,303,323	525,592,509
 INVESTMENTS AND LONG-TERM LOANS:		
Investments in securities.....	38,583,388,295	107,176,079
Investments in subsidiaries	3,484,978,432	9,680,496
Long-term loans	2,078,668,249	5,774,078
Other investments	1,819,611,690	5,054,477
TOTAL INVESTMENTS AND LONG-TERM LOANS	45,966,646,666	127,685,130
 PROPERTY, PLANT AND EQUIPMENT:		
Land.....	14,177,807,803	39,382,799
Buildings	81,799,976,470	227,222,157
Machinery and equipment	252,801,338,810	702,225,941
Construction in progress	8,983,649,150	24,954,581
	357,762,772,233	993,785,478
Less accumulated depreciation	184,003,948,347	511,122,078
NET PROPERTY, PLANT AND EQUIPMENT	173,758,823,886	482,663,400
	¥ 408,938,773,875	\$ 1,135,941,039

LIABILITIES AND SHAREHOLDERS' EQUITY

	¥	\$
CURRENT LIABILITIES:		
Bank loans	1,600,000,000	4,444,444
Current portion of long-term debt	5,225,803,960	14,516,122
Notes payable	19,232,100,000	53,422,500
Accounts payable—trade	45,571,210,306	126,586,695
Accounts payable—other	11,620,613,184	32,279,481
Accrued expenses	21,537,987,918	59,827,744
Deposits received	16,298,283,612	45,273,010
Employees' deposits	10,849,572,223	30,137,701
Accrued taxes on income	17,426,637,899	48,407,328
Other current liabilities	566,530,994	1,573,697
TOTAL CURRENT LIABILITIES	149,928,740,096	416,468,722
LONG-TERM DEBT:		
Mortgage bonds	18,118,400,000	50,328,889
Bank loans	4,982,527,323	13,840,354
Other long-term debt	43,938,210	122,051
TOTAL LONG-TERM DEBT	23,144,865,533	64,291,294
RESERVES AND ALLOWANCES:		
Reserve for severance indemnities	11,225,665,700	31,182,404
Reserve for doubtful accounts	1,676,036,481	4,655,657
Reserve for special depreciation	9,900,000,000	27,500,000
Reserve for cultivation of overseas markets	6,934,417,922	19,262,272
Reserve for foreign operations	2,973,966,805	8,261,019
Reserve for development	4,500,000,000	12,500,000
Allowance for special depreciation	25,700,000,000	71,388,889
Other reserves and allowances	649,942,838	1,805,397
TOTAL RESERVES AND ALLOWANCES	63,560,029,746	176,555,638
SHAREHOLDERS' EQUITY:		
Capital stock	39,795,300,000	110,542,500
Paid-in stock subscriptions	59,799,200	166,109
Capital in excess of par value	2,683,417,665	7,453,938
Revaluation surplus	1,048,048,818	2,911,246
Legal reserve	9,948,825,000	27,635,625
General reserve	92,500,000,000	256,944,445
Unappropriated income brought forward	4,731,491,554	13,143,032
Net income for term	21,538,256,263	59,828,490
TOTAL SHAREHOLDERS' EQUITY	172,305,138,500	478,625,385
	¥ 408,938,773,875	\$ 1,135,941,039

- Notes: 1. Accounts with the subsidiaries: a. Short-term credits ¥ 746,647,595 (\$ 2,074,021)
b. Long-term credits ¥ 909,880,725 (\$ 2,527,446)
c. Current liabilities ¥ 4,769,905,449 (\$ 13,249,737)
2. Securities which are quoted on stock exchanges are stated at the lower of cost or market.
3. ¥ 8,794,000(\$ 24,428) out of "Paid-in stock subscriptions" will be transferred to "Capital stock" and the remaining ¥ 51,005,200(\$ 141,681) to "Capital in excess of par value" as of June 1, 1970.

STATEMENT OF INCOME APPROPRIATION

FOR THE TERM ENDED MAY 31, 1970

	¥	\$
INCOME AVAILABLE FOR APPROPRIATION:		
Unappropriated income brought forward	4,731,491,554	13,143,032
Net income for term	21,538,256,263	59,828,490
	<u>26,269,747,817</u>	<u>72,971,522</u>
INCOME APPROPRIATED FOR:		
Cash dividends—¥ 3.00 per share	2,387,718,000	6,632,550
Stock dividends—2 shares per 100 at per value ...	795,906,000	2,210,850
General reserve	18,000,000,000	50,000,000
Directors' bonus	50,000,000	138,889
	<u>21,233,624,000</u>	<u>58,982,289</u>
UNAPPROPRIATED INCOME		
CARRIED FORWARD	<u>¥ 5,036,123,817</u>	<u>\$ 13,989,233</u>

SHARES**NUMBER OF SHARES**

Authorized: 3,000,000,000 shares

Outstanding: 795,906,000

NUMBER OF SHAREHOLDERS

67,321 persons

LEADING SHAREHOLDERS

Toyoda Automatic Loom Works, Ltd.	35,700,010 shares
The Mitsui Bank, Ltd.	35,500,000
The Tokai Bank, Ltd.	35,000,000
The Sanwa Bank, Ltd.	31,600,000
Nippon Life Insurance Co.	27,024,000
The Long-Term Credit Bank of Japan, Ltd.	25,611,000
The Daiwa Bank, Ltd.	22,167,000
The Toyo Trust & Banking Co., Ltd.	21,367,941
The Kyowa Bank, Ltd.	18,156,000
Toyota Motor Sales Co., Ltd.	17,120,000
The Dai-ichi Mutual Life Insurance Co.	16,677,000
Nippon Steel Corporation	15,085,800
The Fuji Bank Ltd.	14,000,000
The Mitsubishi Bank, Ltd.	13,830,000
The Mitsui Trust & Banking Co., Ltd.	13,152,200
The Mitsui Mutual Life Insurance Co.	12,952,980
Taisho Marine & Fire Insurance Co., Ltd.	12,467,009
The Meiji Mutual Life Insurance Co.	10,914,000
Asahi Mutual Life Insurance Co.	10,404,000

SHAREHOLDERS' MEETING

Ordinary: At the end of January and July

Extraordinary: As required

RECORD DATE

May 31 and November 30

STOCK TRANSFER AGENT

The Toyo Trust & Banking Co., Ltd., Tokyo

DIRECTORS AND AUDITORS

DIRECTORS

TAIZO ISHIDA
Chairman of the Board of Directors

EIJI TOYODA
President and Director

SHOICHI SAITO
Executive Vice President and Director

SHOICHIRO TOYODA
Senior Managing Director

MASAO YAMAMOTO
Senior Managing Director

HIDEO TSUTSUMI
Managing Director

TAIICHI OHNO
Managing Director

MASAYA HANAI
Managing Director

MASAAKI NOGUCHI
Managing Director

SHOICHI MATSUO
Managing Director

TATSU INAGAWA
Director

HIDETARO MORI
Director

TOZO YABUTA
Director

KEIMEI YAMAMOTO
Director

TATSUO HASEGAWA
Director

AKIRA SAKUMA
Director

MASATOSHI MORITA
Director

TOSHIO MORITA
Director

SAKAE OHARA
Director

STATUTORY AUDITORS

YUUGO NARUSE

SHOTARO KAMIYA

MASUO YANAGI

(Above members are as of May 31, 1970)

FINANCIAL SUMMARY

	SIX MONTH TERMS ENDED	MAY 1970	NOV 1969	MAY 1969
(Yen amounts in millions)				
RESULTS FOR THE TERM:				
Unit factory sales;				
Passenger cars	483,361	512,422	443,450	
Commercial vehicles	<u>275,606</u>	<u>264,551</u>	<u>237,708</u>	
Total	758,967	776,973	681,158	
Sales	¥ 396,021	388,450	339,802	
Income before income taxes	¥ 34,538	32,480	27,599	
Provision for income taxes	¥ 13,000	13,300	11,000	
Net income	¥ 21,538	19,180	16,599	
Dividends	¥ 3,184	3,184	3,902	
Per share* (in Yen)	¥ 4.00	4.00	4.90	
Retained income	¥ 18,305	15,947	12,652	
NUMBER OF EMPLOYEES	38,168	36,689	36,297	
TERM END POSITION:				
Current assets	¥ 189,213	186,534	153,958	
Current liabilities	¥ 149,929	142,038	121,019	
Net working capital	¥ 39,284	44,496	32,939	
Property, plant and equipment, at cost	¥ 357,763	320,111	286,308	
Accumulated depreciation	¥ 184,004	171,378	153,479	
Net property, plant and equipment	¥ 173,759	148,733	132,829	
Total assets	¥ 408,939	371,630	325,121	
Long-term debt	¥ 23,145	20,951	20,305	
Shareholders' equity	¥ 172,305	153,941	137,926	
Capital outstanding	¥ 39,795	39,795	39,015	
Number of shares outstanding (in thousands)	795,906	795,906	780,300	

* Adjusted to reflect stock dividends

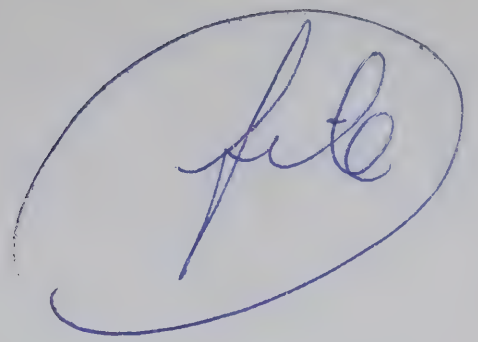
TOYOTA MOTOR CO., LTD.

NOV 1968	MAY 1968	NOV 1967	MAY 1967	NOV 1966	MAY 1966	NOV 1965
347,896	291,896	250,071	212,762	164,349	136,127	117,927
<u>218,830</u>	<u>213,689</u>	<u>193,178</u>	<u>149,768</u>	<u>142,316</u>	<u>124,722</u>	<u>120,202</u>
566,726	505,585	443,249	362,530	306,665	260,849	238,129
277,616	252,040	217,874	183,426	157,664	136,170	123,968
22,759	21,480	20,799	16,668	14,498	10,875	10,310
8,600	8,500	9,900	7,500	6,600	4,200	4,200
14,159	12,980	10,899	9,168	7,898	6,675	6,110
3,121	3,121	3,825	3,060	3,060	3,060	3,060
3.92	3.92	4.81	3.84	3.84	3.84	3.84
10,992	9,819	7,034	6,070	4,808	3,585	3,020
34,078	32,285	30,185	28,277	25,580	24,347	22,595
133,932	121,707	120,801	100,799	99,235	95,218	90,666
105,192	96,063	87,367	64,302	60,511	53,529	49,815
28,740	25,644	33,434	36,497	38,724	41,689	40,851
261,542	231,446	196,959	172,984	156,343	140,846	129,529
137,634	123,397	109,074	98,414	88,290	78,680	70,206
123,908	108,049	87,885	74,570	68,053	62,166	59,323
287,911	259,937	239,271	204,833	194,421	183,842	174,425
21,106	19,136	19,021	19,924	23,107	27,280	26,308
124,494	113,496	103,617	95,816	89,738	84,930	81,346
39,015	39,015	38,250	38,250	38,250	38,250	38,250
780,300	780,300	765,000	765,000	765,000	765,000	765,000



TOYOTA MOTOR CO., LTD.

Head Office: 1 Toyota-cho, Toyota, Aichi, 471 Japan



OUTLINE OF TOYOTA

September 1970

TOYOTA MOTOR CO., LTD.

(1) General Status

Establishment	In 1937
Capital	\$ 113 million
Annual Turnover	\$ 2,200 million (Jun. '69~May. '70)
Annual Profit	\$ 110 million (Jun. '69~May. '70) (about 5 % of turnover)

Head Office In Toyota City

Plants 1) 5 plants in operation

Passenger car assembly plant	2
Truck assembly plant	1
Engine plant	1
Chassis parts plant	1

All these plants are located in Toyota City and its vicinity.

2) Under construction

One more passenger car assembly plant will start the operation this autumn in Toyota City.

3) Proving ground

One large proving ground with 4 km test track at the foot of Mt. Fuji

Number of Employees 38,500

Total Land Space About 10 million square meters

Total Floor Space About 2.3 million square meters

(2) Production

Products

1) Passenger car

	Toyota 1000	Corolla	Sprinter	Corona	Corona Mark II	Crown	Century
Displacement (ℓ)	0.8~1.2	1.2	1.2	1.5~1.9	1.7~1.9	2~2.3	3
production (1969)	66,894	252,965	87,796	196,058	238,421	118,545	683

- 2) Truck 7 models by rough classification
 (Mini-Ace, Hi-Lux, Hi-Ace, Toyota 25, Stout, Dyna,
 Diesel Truck)
- 3) Offshoot vehicles such as pick-ups and vans, special vehicles such
 as Land Cruiser, sport cars, and buses
- 4) Spare parts

Production Record

	1967	1968	1969
Passenger car	476,807	659,189	964,088
Truck	337,048	405,477	468,119
Others	18,275	32,739	39,004
Total	832,130	1,097,405	1,471,211

Project in 1970.....1,750,000

(3) Sales

All products of Toyota Motor are distributed by Toyota Motor Sales Co., Ltd.
to domestic and overseas markets.

Dealer in domestic market 251

(4) Export

Export Record

	1967	1968	1969
Passenger car	111,461	203,169	287,369
Truck	35,111	58,540	85,826
Others	11,310	17,378	21,907
Total	157,882	279,087	395,102

Project in 1970.....450,000

Main Overseas Markets in 1969

U.S.A.	150,466	Finland	11,851
Australia	32,060	Thailand	10,745
South Africa	29,777	Puerto Rico	10,677
Canada	24,986	Belgium	8,909
Rep. of Korea	17,756	Denmark	5,628

Overseas Dealers and Assembly Plants

Dealer 142

Assembly plant 14

(Australia, New Zealand, South Africa, Brazil, Venezuela,
Costa Rica, Philippines, Rep. Korea, Thailand, Peru,
Malaysia, Portugal, Rep.Ghana, Canada)

20% out of total export are assembled by these overseas assembly plants.

(5) Employment

Number of Employees

Office worker (including engineer)	7,500
Shop worker	31,000
Total	38,500

Age 26.5 years old on average

Working hour 42 hours a week

2 shift system

Wage Monthly wage.....\$ 200 on average

Fringe benefits per month.....\$ 30

Besides these monthly pays, there are bonuses twice a year.

The amount of one year bonuses is \$880.

Welfare for Employees

1) Housing Dormitories for 20,000 single workers

Apartment houses for 4,000 families

2) Hospital Department12

Doctor20

Bed344

3) Livelihood Cooperative Association

ServiceAll livelihood necessities for employees
and the families with some discount

Employee.....1, 650

Turnover (in 1969).....\$ 23,000,000

4) Cultural and athletic activities for employees' recreation

(6) Toyota Group and Subcontractors

Toyota Group

Company	Capital (million \$)	Employee	Turnover (1969) (million \$)	Main Activity
Toyota Automatic Loom Works, Ltd.	9.1	6,000	162	Mfg. Spinning and Weaving Machine, and Fork Lift
Aichi Steel Works, Ltd.	13.1	3,350	80	Mfg. Steel (Bar and Billet)
Toyota Machine Works, Ltd.	4.2	3,250	53	Mfg. Machine Tool and Auto Parts
Toyota Auto Body Co., Ltd.	6.9	6,000	148	Mfg. Auto Body
Toyoda Tsusho Kaisha, Ltd.	8.3	1,250	455	Trading
Aishin Seiki Co., Ltd.	7.9	7,300	155	Mfg. Auto Parts and Home Apparatus
Nippon Denso Co., Ltd.	14.2	14,000	216	Mfg. Electrical Auto Parts
Toyota Motor Sales Co., Ltd.	33.3	3,350	2,277	Sales of All Toyota Vehicle and Parts
Toyoda Spinning & Weaving Co., Ltd.	6.9	2,890	41	Mfg. Cotton Yarn and Fabric
Kanto Auto Works, Ltd.	7.0	4,860	159	Mfg. Auto Body
Toyota Central Research Development Laboratories, Inc.	4.2	410	3	Fundamental Technical Research for Toyota Group
Toyota Motor Co., Ltd.	110.6	38,500	2,023	Mfg. Automobile and Parts
Total	225.7	91,160	5,772	

Subcontractors

Parts and body supplier	205
Die, gauge and tool supplier	22
Constructors	32

(7) Technical Research Activities

Expenditure of Technical Research in 1969

\$ 32 million (about 2 % of turnover)

Out of this amount, about \$ 10 million is used for safety and public nuisance research.

(8) Automobile Production and Export of Japan

	1937	1968	1969
Production	3,146,486	4,085,825	4,674,932
Export	362,245	612,429	858,068

Project of Production in 1970.....3,050,000

(9) World's 10 Largest Automobile Manufacturers (in 1969)

Manufacturer	Production	Manufacturer	Production
1 G.M.	5,254,915	6 Fiat	1,311,114
2 Ford	2,801,623	7 Nissan	1,148,715
3 Volkswagen	1,904,044	8 BLMC	1,016,280
4 Chrysler	1,564,203	9 Renault	1,009,372
5 Toyota	1,471,211	10 Opel	801,205

(10) Automobile Manufacturers in Japan (in 1969)

Manufacturer	Production	Share (%)
1. Toyota Motor	1,471,211	31.5
2. Nissan Motor	1,148,715	24.6
3. Toyo Kogyo	428,226	9.2
4. Honda Motor	364,887	7.8
5. Mitsubishi Motor	337,258	7.2
6. Daihatsu Kogyo	264,275	5.7
7. Suzuki Motor	238,114	5.1
8. Fuji Heavy Industries	187,390	4.0
9. Isuzu Motors	155,203	3.3
10. Others	79,653	1.6
Total	4,674,932	100

